

Quick Facts on Beer Tax

For licensed establishments



On July 1, 2010, certain manufacturer's fees paid by Ontario breweries and wineries were replaced with consumer taxes. The taxes, called "beer and wine taxes" are administered by the Ministry of Revenue.

Ontario beer manufacturers will collect amounts equal to the beer taxes. The amounts are included in the price charged to the licensed establishments by their suppliers. As a licensed establishment **you will not be required to remit the taxes directly to the Province**. However, as the taxes are ultimately a tax on the consumer you **must make information available to your patrons about the beer taxes included in the price they have paid**.

Other key aspects about the beer and wine taxes that licensed establishments should know about include:

- Wine and wine coolers sold by licensed establishments are not subject to the beer and wine taxes since they are subject to Liquor Control Board of Ontario (LCBO) mark ups. This includes:
 - Wine and wine coolers purchased from the LCBO.
 - Wine and wine coolers purchased from a winery retail store under the LCBO's Direct Delivery program.
- Not all beer sold by licensed establishments is subject to the beer taxes since it is subject to LCBO mark ups. Examples of product subject to mark ups include:
 - Beer purchased from the LCBO.
 - Beer purchased from The Beer Store that is not made by an Ontario beer manufacturer.
- Beer manufactured in Ontario and purchased from The Beer Store or a brewer's retail store have amounts equal to the beer taxes included in the licensee purchase price. The beer taxes are included in the Ontario-manufactured beer that you sell to consumers.

The following examples show the beer taxes included in a **typical** glass, bottle or can of Ontario manufactured beer you sell in your establishment:

Microbrewer brands

(e.g., small Ontario craft brewer brands)



Beer manufacturer brands

(e.g., large national brands)



* For illustrative purposes only. Calculations have been rounded to the nearest cent.

- Although amounts equal to the beer taxes are collected and remitted to the Ministry of Revenue by beer manufacturers, as a licensed establishment you can apply for a refund of the beer taxes for verifiable product loss (e.g., beer destroyed in the cause of a fire) or bad debt (e.g., an unpaid balance of the beer taxes resulting from a bankrupt client).

For more information, contact the Ministry of Revenue at **1 866 ONT-TAXS (1 866 668-8297)**.