

CHANGE RELATING TO THE REDUCTION OF THE SPECIFIC TAX APPLICABLE TO BEER

As a rule, the rate of the specific tax on alcoholic beverages applicable to beer sold in Québec is 63 cents per litre. However, reduced rates may apply to beer produced in Québec by a brewer whose worldwide volume of beer sold during the previous calendar year by it, by a brewer with which it is associated under the *Taxation Act* or by a brewer whose business it continued to carry on does not exceed 300 000 hectolitres.¹

When these applicability conditions are met, the rate of the specific tax is reduced by 67% on the first 75 000 hectolitres of beer sold during a calendar year and by 33% on the next 75 000 hectolitres. Thus, in the case of the first 75 000 hectolitres, the reduced rate corresponds to 20.79 cents per litre, and, in the case of the next 75 000 hectolitres, to 42.21 cents per litre.

To support the development of the brewing industry, the applicability condition relating to the worldwide volume of beer sold will be eliminated, so that the reduced rates apply to the first 150 000 hectolitres of beer produced and sold in Québec by any brewer during a calendar year.

This change will apply to beer sold by a brewer after May 31, 2016.

For information concerning this information bulletin, contact the Secteur du droit fiscal et des politiques locales et autochtones at 418 691-2236.

The English and French versions of this bulletin are available on the Ministère des Finances website at www.finances.gouv.qc.ca.

¹

If the brewer is a corporation resulting from the amalgamation of several corporations that is in its first year of operation, the worldwide volume of beer sold during the previous calendar year by each predecessor corporation must be taken into account.