



Wine Tax Information Sheet - Wine Boutiques

The Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996 was amended in 2016 to include phased higher basic rates of tax on a wine boutique operator's wine purchased from the wine boutique.

The last of four phased increases were legislated to occur on June 1, 2020 as follows: 4% increase for blended wine purchased in wine boutiques; 1.5% increase for 100% Ontario wine purchased in wine boutiques.

Given the economic challenges being faced by Ontario businesses and consumers as a result of the current public health crisis, the government decided that it is in the public interest to suspend these tax increases until December 31, 2020 and to propose legislative amendments before the end of 2020 so that the Legislature can consider, as it has done in previous years, the appropriateness of further suspending or cancelling these tax increases.

On April 22, the government issued an Order-in-Council to grant remission to purchasers liable to pay wine tax of the difference between the tax payable under the rates that will take effect on June 1, 2020 and the rates that were in effect immediately before that date on taxable purchases made between June 1, 2020 and December 31, 2020, inclusive.

On November 5, 2020, the government introduced legislation (Protect, Support and Recover from COVID-19 Act (Budget Measures), 2020), which, if passed, would cancel these increases. If the legislation is passed, the increases scheduled to occur on January 1, 2021 would not take place and the **wine basic tax rates set on April 1, 2018** would remain in effect.

Certain wine and wine coolers purchased from wine boutiques located inside the shopping area of authorized grocery stores

Effective October 28, 2016, wine and wine coolers will be available for purchase from wine boutiques located inside the shopping area of authorized grocery stores. For the purposes of this page, wine includes wine coolers.

Purchasers of wine that are manufactured by owners of – and sold from – wine boutiques located inside the shopping area of grocery stores authorized to sell wine as agents of the wine boutique owner are subject to the following taxes, which are included in the price of the product.

Wine basic tax (wine boutiques):

- If the wine is an Ontario wine:

- 6.1% of the retail price of the wine for purchases made on or after October 28, 2016 and before January 1, 2017
 - 7.1% of the retail price of the wine for purchases made on or after January 1, 2017 and before April 1, 2017
 - 8.1% of the retail price of the wine for purchases made on or after April 1, 2017 and before April 1, 2018
 - 9.6% of the retail price of the wine for purchases made on or after April 1, 2018 and before January 1, 2021, and
 - 11.1% of the retail price of the wine for purchases made on or after January 1, 2021 (this increase is proposed to be cancelled).
- If the wine is not an Ontario wine:
 - 17.1% of the retail price of the wine for purchases made on or after October 28, 2016 and before April 1, 2017
 - 19.1% of the retail price of the wine for purchases made on or after April 1, 2017 and before April 1, 2018
 - 22.6% of the retail price of the wine for purchases made on or after April 1 2018 and before January 1, 2021, and
 - 26.6% of the retail price of the wine for purchases made on or after January 1, 2021 (this increase is proposed to be cancelled).

Volume tax:

- 29 cents per litre for wine, or
- 28 cents per litre for wine coolers.

Environmental tax:

- 8.93 cents per non-refillable container.

Wine taxes do not apply on wine that was not manufactured by the operator of wine boutiques.

For the purposes of the wine taxes

Ontario wine means wine that is Ontario wine for the purposes of the Liquor Licence Act:

- a. wine produced in Ontario from grapes, cherries, apples or other fruits grown in Ontario, the concentrated juice of those fruits or other agricultural products containing sugar or starch and includes Ontario wine to which is added herbs, water, honey, sugar or the distillate of Ontario wine or cereal grains grown in Ontario
- b. wine produced by the alcoholic fermentation of Ontario honey, with or without the addition of caramel, natural botanical flavours or the distillate of Ontario honey wine, or
- c. wine produced from a combination of,
 - i. apples grown in Ontario or the concentrated juice thereof to which is added herbs, water, honey, sugar or the distillate of Ontario wine or cereal grains grown in Ontario, and
 - ii. the concentrated juice of apples grown outside of Ontario,

in such proportion as is prescribed.

Ontario wine cooler is Ontario wine, or a beverage containing Ontario wine, that contains not more than 7 percent alcohol by volume.

Retail price of wine is the amount fixed by the Liquor Control Board of Ontario (or the winery, if the LCBO has not fixed a price) for the wine, less the sum of:

- a. the amount of any deposit on the container containing the wine that is required to be collected or remitted under the Ontario deposit return program
- b. all taxes imposed under Part IX of the Excise Tax Act (Canada) (i.e., HST) in respect of the purchase of the wine, and
- c. all taxes imposed under the Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996, in respect of the purchase of the wine.

Disclaimer: The information on this page does not replace the law found in the Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996, and related regulations. For more information, please visit ontario.ca/finance.

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