



Wine Tax Information Sheet - Winery Retail Stores (not 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 sales of non-Ontario wine from on-site and off-site winery retail stores.

The last of four phased increases were legislated to occur on June 1, 2020 as follows: 1% increase for blended wine purchased in winery retail stores; 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.

Wine and wine coolers from winery retail stores (not wine boutiques)

Purchasers of wine and wine coolers from Ontario winery retail stores, whether the winery retail store is located on-site or off-site of the winery, are subject to the following taxes, which are included in the price of the product.

Wine basic tax:

- if the wine or wine cooler is an Ontario wine or an Ontario wine cooler, 6.1% of the retail price of the wine or wine cooler, or
- if otherwise:
 - 16.1% of the retail price of the wine or wine cooler for purchases made on or after July 1, 2010 and before June 1, 2016

- 17.1% of the retail price of the wine or wine cooler for purchases made on or after June 1, 2016 and before April 1, 2017
- 18.1% of the retail price of the wine or wine cooler for purchases made on or after April 1, 2017 and before April 1, 2018
- 19.1% of the retail price of the wine or wine cooler for purchases made on or after April 1, 2018 and before January 1, 2021, and
- 20.1% of the retail price of the wine or wine cooler 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.

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 or a wine cooler 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 or wine cooler, less the sum of:

- a. the amount of any deposit on the container containing the wine or wine cooler 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 or wine cooler, and
- c. all taxes imposed under the Alcohol and Gaming Regulation and Public Protection Act, 1996, in respect of the purchase of the wine or wine cooler.

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

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