

Appendix A: Taxation Models

Key Terms

“Beer tax”	Tax applied to beer, paid by the manufacturer and reflected in the purchase price paid by consumers; typically calculated per litre
Brewpub	A pub-restaurant serving beer brewed on the premises or at an associated brewery
Growler	Reusable container intended to hold beer, often sold by micro-breweries and brewpubs to provide a “take-out” service
Hectolitre	Common measurement for beer: 1 hectolitre (HL) equals 100 litres or 282 cans
Micro-brewery	Also called a craft brewery, a micro-brewery produces small amounts of beer; often defined by regulators based on annual worldwide volume sold
Nano-brewery	Also called a pico or bucket brewery, a nano-brewery pursues very limited production, often just one batch at a time

Jurisdiction	Beer Tax (\$/L)	Beer Tax (\$/L) for Micro-Breweries	Notes
NT ⁱ	2.22	1.11	50 per cent discount on production up to 1500 HL per year (2 December 2014);
		1.42	36 per cent discount on production between 1501 HL and 2500 HL (2 December 2014)
AB ⁱⁱ	---	0.20	Annual worldwide production less than or equal to 20,000 HL
	---	0.40	Annual worldwide production exceeds 20,000 HL but not 200,000 HL
	0.40	---	Annual worldwide production up to 200,000 HL
	0.98	---	Annual worldwide production over 200,000 HL and up to 400,000 HL

BC ⁱⁱⁱ	British Columbia will implement a new gradual mark-up system for breweries on 1 April 2015, identifying three mark-up rates, each dependent on brewery production. <ul style="list-style-type: none"> • \$0.55/L – First 15,000 HL • \$0.68/L – Subsequent production up to 200,000 HL • \$1.08/L – Subsequent production up to 350,000 HL • \$1.08/L – Production exceeding 350,000 HL 		
MB ^{iv}	New class of licence created for brewpubs in November 2011; annual production of 2000 HL or less required to qualify for reduced mark-up		
	0.213		Plus 49 per cent licensee mark-up, where annual production exceeds 75,000 HL
	0.188		Plus 30 per cent licensee mark-up, where annual production between 35,001 and 75,000 HL
	0.156		Plus 28 per cent licensee mark-up, where annual production between 15,001 and 35,000 HL
	0.107		Plus 25 per cent licensee mark-up, where annual production up to 15,000
	<p>Note: Manitoba breweries may apply for a retail licence and then receive an additional markup of 17 per cent on sales to the public.</p> <p>Note: Brewpub with annual production of 2,000 HL or less, sales to Manitoba Liquor Control Commission (MLCC)/licensees see \$0.087/L plus 20 per cent mark-up</p> <p>Note: Brewpub with annual production of 2,000 HL or less, on- and off-premises sales see remittance/L to MLCC</p>		
ON ^v	0.9302	0.4303	Beer shipped in a container with a capacity of less than 18 litres; non-draft
	0.7860	0.4031	Beer shipped in a container with a capacity of 18 litres or more; draft
	---	0.226	Beer made at a brew-pub and purchased there or at a secondary location
QU ^{vi}	---	0.2079	On-premises and home consumption: Production of first 7,500,000 L

	---	0.4221	On-premises and home consumption: Subsequent production up to 15,000,000 L.
	0.63	---	Regular rate
SK ^{vii}	---	0.987 (packaged) 0.66 (draft)	Production up to 5000 HL (microbrewers)
	---	1.843 (packaged) 1.313 (draft)	Production over 5000 HL, up to 190,000 (regional brewers)
	1.993 (packaged) 1.463 (draft)	---	Production over 200,000 HL (national/multinational brewers)
YK ^{viii}	---	23.1 per cent	Small-brewery mark-up, production under 25,000 HL
	Step 1: 94 per cent on first \$2.60/L of standard cost Step 2: 10 per cent on remainder of standard cost	---	Mark-up, standard cost includes base price and freight

ⁱ Carmichael, Dali. *Northern Journal*. "GNWT Lessens Legal Hurdles to NWT Brewing Co.," 15 Dec. 2014. Web. <<http://norj.ca/2014/12/gnwt-lessens-legal-hurdles-to-nwt-brewing-co/>>.

ⁱⁱ "Mark-Up Rates." *Alberta Liquor and Gaming Commission*. 10 Dec. 2010. Web. <http://www.aglc.gov.ab.ca/pdf/quickfacts/markup_rates_schedule.pdf>.

ⁱⁱⁱ "Wholesale Pricing Model: An Overview of the Upcoming Changes." *British Columbia Liquor Distribution Branch*. Feb. 2015. Web. <http://www.bcldb.com/files/Wholesale_Pricing_Changes-Overview.pdf>.

^{iv} Crawford, Tracy. "Assistance to Small Wineries and Breweries in Manitoba." Manitoba Liquor Control Commission, 10 Mar. 2012. Web. <http://www.powershow.com/view/46645b-OWMyN/Assistance_to_Small_Wineries_and_Breweries_in_Manitoba_powerpoint_ppt_presentation>.

^v "Beer Tax Information Sheet." Ontario Ministry of Finance, 3 Mar. 2014. Web. <http://www.fin.gov.on.ca/en/bulletins/bwt/pdf/infosheet_beer.pdf>.

^{vi} "Table of Rates of the Specific Tax on Alcoholic Beverages." Revenu Québec, 1 July 2014. Web. <[http://www.revenuquebec.ca/documents/en/formulaires/vd/vd-487.ba-v\(2014-07\).pdf](http://www.revenuquebec.ca/documents/en/formulaires/vd/vd-487.ba-v(2014-07).pdf)>.

^{vii} "Understanding Liquor Pricing in Saskatchewan." *About Liquor Retailing*. Government of Saskatchewan. Web. <<http://www.saskatchewan.ca/government/have-your-say/future-options-for-liquor-retailing-in-saskatchewan/about-liquor-retailing#understanding-liquor-pricing-in-saskatchewan>>.

^{viii} Yukon Liquor Corporation. 27 February 2015.