

# Excise Duty Memoranda Series

## 10.1.1 Returns and Payments

July 2003  
Revised May 2004\*

Overview	This memorandum explains the procedures and requirements for filing excise duty returns and for making payments of any duties owing under the <i>Excise Act, 2001</i> (the “Act”).
Disclaimer	The information in this memorandum does not replace the law found in the Act and its Regulations. It is provided for your reference. As it may not completely address your situation, you may wish to refer to the Act or its Regulations, or contact any Canada Revenue Agency (CRA) tax services office for additional information.
[Proposed amendments]	This memorandum reflects proposed amendments to the Act announced by the Minister of Finance on June 24, 2003. [Where information reflects proposed amendments, the information is enclosed in square brackets.] Any commentary in this memorandum should not be taken as a statement by the CRA that such amendments will in fact be enacted in their current form.

\*Revised paragraphs are indicated with a side bar in the left margin.

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La version française de ce document est intitulée *Déclarations et paiements*.



## 10.1.1 Returns and Payments

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### Persons required to file

- Licenses ss 160
1. [Every person who is licensed under the Act is required to file an excise duty return with the CRA for each fiscal month.]
- Filing by other persons ss 161
2. The Act requires every non-licensed person who is required to pay excise duty in respect of any fiscal month to file an excise duty return with the CRA for that month.
- Where to file
3. Excise duty returns may be sent by regular mail to the Summerside Tax Centre at 275 Pope Road, Summerside PE, C1N 6E7, or hand-delivered, mailed, or sent by courier to any CRA tax services office.

### Electronic filing

- Meaning of "electronic filing" ss 166(1)
4. "Electronic filing" refers to the filing of an excise duty return using electronic media in a manner specified in writing by the CRA.
- Paper returns currently required
5. Currently, the CRA has not approved any means to file excise duty returns electronically. Accordingly, all persons who are required to file an excise duty return must submit a paper return to the CRA.
6. If, at a future date, the CRA approves a means of electronic filing, specific information relating to the procedures to be followed will be available in Excise Duty Memorandum 10.4.1, *Electronic Filing*.

### Filing separate returns

- Application ss 164(1)
7. A licensee who engages in one or more activities in more than one branch or division may apply to the CRA to be authorized to file separate excise duty returns and refund applications for each separate branch or division.
- Requirement for authorization ss 164(2)
8. A person who wishes to apply to file separate returns and refund applications must show that:
- the branch or division can be identified separately by reference to its location or the nature of its activities; and
  - separate records, books of account and accounting systems are maintained in respect of that branch or division.
- Permission to file or cancel separate returns
9. To obtain permission to file separate returns or refund applications for branches or divisions, or to cancel an authorization to file separate returns or refund applications, a licensee must file form B269, *Application or Revocation of the Authorization to File Separate Excise Duty Returns and Rebate Applications for Branches or Divisions*, with any CRA tax services office or the Summerside Tax Centre.

- Revocation of authorization ss 164(3)
10. The CRA may revoke the authority to file separate returns if:
- the licensee requests the revocation in writing;
  - the licensee fails to comply with any conditions imposed by the CRA in respect of the authorization or any provision of this Act;
  - the CRA is no longer satisfied that the conditions stipulated for filing separate returns have been met; or
  - the CRA considers that the authorization is no longer required.
- Notice of revocation ss 164(4)
11. Where the CRA revokes an authorization to file separate returns, the licensee will be sent a written notice specifying the effective date of revocation.

### Prescribed returns

- Prescribed form para 160(a) and 161(a)
12. Excise duty returns must be filed with the CRA in a prescribed form and manner. The CRA has developed a series of prescribed returns that are tailored to meet the specific requirements of each licensee type.
- Separate licences
13. Where a licensee holds more than one type of licence under the Act, a separate return must be filed for each licence held.
- Returns for licensees
14. The following excise duty returns must be filed by each licensee type:
- B261, *Excise Duty Return – Duty Free Shop*
  - B262, *Excise Duty Return – Excise Warehouse Licensee*
  - B263, *Excise Duty Return – Licensed User*
  - B264, *Excise Duty Return – Special Excise Warehouse Licensee*
  - B265, *Excise Duty Return – Wine Licensee*
  - B266, *Excise Duty Return – Spirits Licensee*
  - B267, *Excise Duty Return – Tobacco Licensee*
  - B271, *Excise Duty Return – Tobacco Dealer*
- Return for non-licensed persons para 161(a)
15. A person who is not licensed under the Act but who is required to complete an excise duty return must file form B270, *Excise Duty Return – Non-Licensee*. This return will be available from any CRA tax services office or the CRA Web site, at <http://www.cra-arc.gc.ca/tax/technical/act2001-e.html>
- Personalized returns
16. Since October 2003, the CRA provides personalized returns to all licensees who are required to file. These returns, containing pre-printed information, are sent by mail in advance of the due date of the return.
- Non-personalized returns
17. Licensees who do not receive a personalized return may obtain a non-personalized return for their specific licence type from any CRA tax services office or on the CRA Web site at the address indicated in paragraph 15.

### What to include on a return

- Monthly activities
18. An excise duty return reports the monthly activities of a particular licensee. The return includes identification information (i.e., Business Number, RD account number, legal name, mailing address of the business, fiscal month, and due date of the return), as well as revenue and production information. The monthly production provides for an opening inventory, additions and deletions, any adjustments, and a closing inventory.
- Filing returns para 160(b) and 161(b)
19. Every person (i.e., licensee or non-licensee) who is required to file an excise duty return must calculate in the return the total amount of excise duty payable by the person, if any, for a fiscal month.
- Instructions for licensees
20. Detailed instructions for licensees completing excise duty returns are available in the following Excise Duty Memoranda:
- 10.1.2, *Completing an Excise Duty Return – Duty Free Shop*
  - 10.1.3, *Completing an Excise Duty Return – Excise Warehouse Licensee*
  - 10.1.4, *Completing an Excise Duty Return – Licensed User*
  - 10.1.5, *Completing an Excise Duty Return – Special Excise Warehouse Licensee*
  - 10.1.6, *Completing an Excise Duty Return – Wine Licensee*
  - 10.1.7, *Completing an Excise Duty Return – Spirits Licensee*
  - 10.1.8, *Completing an Excise Duty Return – Tobacco Licensee*
  - 10.1.9, *Completing an Excise Duty Return – Tobacco Dealer*
- Instructions for non-licensees
21. Instructions for non-licensed persons completing excise duty returns will be available in Excise Duty Memorandum 10.1.10, *Completing an Excise Duty Return – Non-Licensee*.
- Deductions or refunds s 162
22. The Act allows a person to deduct from amounts payable any refunds owing under the Act. To be deductible, the refunds must be due to the person at the time the person files an excise duty return, and must be claimed in that return or another return, or in a separate application filed with that return. In this situation, the person is deemed to have paid, and the CRA is deemed to have refunded, an amount equal to the lesser of the amount payable and the amount refunded.
- Refund applications
23. A licensee must complete form B256, *General Application for Refund of Excise Duty Under the Excise Act, 2001*, to claim a refund. In addition to the amount requested, the licensee must specify the reason for making the application. However, persons requesting a refund of excise duty on beer products must continue to use refund application form N10, *Refund/Credit Claim*.
24. Additional information relating to refund procedures are provided in Excise Duty Memorandum 10.3.1, *Refunds*.

- Small amounts payable or owing ss 165(1) and (2) 25. If the total amount payable by a person to the CRA is less than two dollars, the amount owing by the person is deemed to be nil and the person is not required to pay it. If the total of the amount payable by the CRA to a person is less than two dollars, the CRA is not required to pay the person. The CRA may, however, deduct this amount from any amount payable by the person.
- Nil returns 26. Every person who is required to file an excise duty return under the Act must do so for each fiscal month. Where no excise duty is payable for a fiscal month, the person must still file a return.
- Execution of returns s 167 27. An authorized individual must sign every excise duty return. Where a person is a corporation, an association, or organization that has duly elected or appointed officers, the president, vice-president, secretary or the treasurer (or other equivalent officers) of the corporation, association, or organization are deemed to be duly authorized to sign the return. Returns filed by a sole proprietorship or a partnership should be signed by the proprietor or a partner.
- Power of attorney 28. In certain circumstances, an individual may be authorized under a power of attorney or other duly executed agency agreement to sign an excise duty return on behalf of another person.
- Avoiding errors on returns 29. Any return filed with incorrect or missing information and calculation errors will be rejected. To avoid processing delays the licensee should carefully verify each return before filing it. On most returns, the revenue portion must correspond with the production portion. For example, the quantity of a product that is indicated in the boxes in the revenue portion should be equal to the units and/or kilograms indicated in the boxes in the production portion. Also, where an amount is entered as “total additions” or “total reductions”, the licensee should make sure that this amount reflects the sum of all additions and/or deletions, and that the correct amount is entered on the total line.

### Fiscal months

- Determining fiscal months ss 159(1) 30. Where a licensee has determined a fiscal month for GST/HST purposes, the same fiscal month applies for purposes of excise duty. Where such a fiscal month has not yet been determined, a person may choose a fiscal month using established GST/HST rules, or use a calendar month.
- Notification of fiscal months ss 159(2) 31. Every licensee who is required to file an excise duty return under the Act must notify the CRA of their fiscal months using form B268, *Notification of Fiscal Months*. Form B268 will be provided to the licensee at the time a licence is issued under the Act, and must be signed by an authorized individual. If required, the form may be obtained from any CRA tax services office or on the CRA Web site at the address indicated in paragraph 15. Once completed, form B268 must be returned to any CRA tax services office or sent directly to the Summerside Tax Centre.

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- Changing fiscal months 32. A licensee must use the fiscal months indicated to the CRA in form B268. If a licensee wishes to change fiscal months, the Manager of the licensee's designated Regional Excise Duty Office must be notified in writing, including the following information:
- the legal name, mailing address, Business Number, and RD account number of the licensee;
  - the current fiscal months;
  - the preferred fiscal months; and
  - an explanation of the reason the change in fiscal months is required.
- Licensees with separate filing branches s 164 33. Licensees authorized under the Act to file separate returns and refund applications for their branches or divisions will be required to use the same fiscal months for their branches or divisions as those of the parent company.

### When to file

- Filing by licensees and other persons para 160(a) and s 161 34. All licensees and non-licensed persons must file their excise duty returns no later than the last day of the first month following the fiscal month to which the returns relate. For example, an excise duty return for the fiscal month ending September 30, 2004, will be due on October 31, 2004.

### Extension of time to file

- Authority ss 168(1) 35. Upon request, the CRA may extend the time limitations for filing an excise duty return.
- Written requests 36. If a licensee wishes to extend the time to file a return, the licensee must make a written request to the Manager of their designated Regional Excise Duty Office, including the following information:
- the legal name, mailing address, Business Number, and RD account number of the licensee;
  - the fiscal month and due date of the return to which the requested extension applies; and
  - details of the circumstances which have caused the licensee to be unable to meet the established due date and why an extension should be granted.
- Effect of extension ss 168(2) 37. If a licensee is granted an extension of time, written approval will be provided by the CRA. If the time is extended as requested:
- the return must be filed within the time so extended;
  - any excise duty payable by the licensee on that return must be paid within the time so extended; and
  - interest is payable as if the time had not been extended.

## Demand for a return

- Demand to file s 169
38. The CRA may serve any person with a demand to file an excise duty return for any designated period within the time stipulated in the demand. Such a demand may be served personally, or by registered or certified mail.
- Failure to comply s 251
39. A person who fails to comply with a demand to file an excise duty return will be liable to a penalty of the greater of \$250 and 5% of the outstanding excise duty for the period specified in the demand as of the day the return was due. This penalty applies to each return that has not been filed.

## Making payments

- Receiver General para 160(c) and 161(c)
40. Excise duty payable on an excise duty return must be paid to the Receiver General. Federal statutes require that all money payable to the Receiver General must be in Canadian dollars.
- Payments by due date para 161(c) and ss 300(2)
41. The CRA or one of its agents (i.e., an authorized financial institution) must receive a payment of excise duty that is owed to the Crown by the due date of the excise duty return. A payment of excise duty is considered to be received by the CRA only when it is in the hands of the CRA or one of its agents.
- Date received ss 300(1) and (2)
42. The postmark date, in the case of an excise duty return that is mailed, or the “date received” stamp of a CRA office, in the case of a return that is hand-delivered or sent by courier, will be deemed to be the filing date of the return. An excise duty return that is mailed on or before the due date of the return, but is not received by a CRA tax services office or the Summerside Tax Centre by the due date, is not considered to be late-filed if the postmark is dated on or before the due date. However, this procedure applies only to the filing of excise duty returns. Any payments owed to the Crown must be received by the Receiver General on or before the due date of the return.
- Holidays or weekends *Interpretation Act* s 26
43. If the due date of an excise duty return falls on a weekend or public holiday, the due date will fall on the first business day following the weekend or holiday. For example, if a return is due on Good Friday, the payment owing must be received by the Receiver General no later than the following Tuesday, as Easter Monday is also a holiday.
- Large payments s 163
44. Every person who is required to pay \$50,000 or more in a single payment to the Receiver General is required to pay the amount at one of the following financial institutions:
- a bank;
  - an authorized foreign bank, as defined in section 2 of the *Bank Act*, that is not subject to the restrictions and requirements referred to in subsection 524(2) of that Act;
  - a credit union;
  - a corporation authorized under the laws of Canada or a province to carry on the business of offering its services as a trustee to the public; or
  - a corporation authorized under the laws of Canada or a province to accept deposits from the public and that carries on the business of lending money on the security of real property or immovables, or investing in mortgages on real property or hypothecs

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on immovables.

Remittance vouchers to include with payments

45. The following personalized or non-personalized remittance vouchers must accompany any payment of excise duty, depending on the type of payment being made. However, if you are filing a return at a CRA tax services office or to the Summerside Tax Centre, you do not have to provide a remittance voucher with your payment.

### Personalized remittance vouchers

- RC158, *Excise Duty Remittance Voucher – Payment on Filing*: this voucher must be used to make a **payment on filing** only;
- RC159, *Excise Duty Remittance Voucher – Amounts Owing*: this voucher must be used to make a **payment of other amounts** only;
- RC160, *Excise Duty Remittance Voucher – Interim Payments*: this voucher must be used to make an **interim payment** (e.g. where voluntary payments are required or following audits at the time of assessment).

### Non-personalized remittance vouchers

- RC 168, *Other Levies Remittance Voucher – Interim Payments*: this voucher must be used to make an **interim payment** only;
- RC169, *Other Levies Remittance Voucher – Payment on Filing*: this voucher must be used to make a **payment on filing** only;
- RC170, *Other Levies Remittance Voucher – Amounts Owing*: this voucher must be used to make a **payment of other amounts** only.

Payment to a financial institution

46. Canadian financial institutions can accept payments of excise duty made under the Act, as agents for the Receiver General. The person making the payment at a financial institution must use excise duty remittance voucher RC158 and/or RC169, and should ensure that a receipt is issued, or that the top portion of the remittance voucher is date-stamped. The date of the teller's stamp will be considered as the date received.

47. In most cases, funds received on behalf of the Receiver General at a financial institution are credited electronically on the same day to the Receiver General's account, and are dated accordingly. After-hours payments made at a financial institution usually bear the next day's date. The person making the payment should ensure that the top portion of the remittance voucher bears the appropriate date.

Remittance vouchers accepted at financial institutions

48. Excise duty returns are **not** accepted in conjunction with a payment made at an authorized financial institution. For payments of excise duty, financial institutions can only accept the personalized form RC158, *Excise Duty Remittance Voucher – Payment on Filing*, or the non-personalized form RC169, *Other Levies Remittance Voucher – Payment on Filing*. As noted in paragraph 5 of this memorandum, paper excise duty returns must be filed with the CRA.

Payment by regular mail	49. A payment of excise duty may be sent by regular mail, along with excise duty remittance voucher RC158 and/or RC169, to any CRA tax services office or the Summerside Tax Centre. Sufficient lead-time is required to ensure that the payment is received by the due date of the excise duty return.
Payment hand-delivered	50. A payment of excise duty may also be hand-delivered to any CRA tax services office, along with the appropriate excise duty remittance voucher. A CRA cashier's "date received" stamp will indicate the date of receipt. The person making the payment should also ensure that a receipt is issued, or that the top portion of the remittance voucher form is date-stamped.
Payment by courier	51. A payment of excise duty may also be sent by courier to any CRA tax services office, along with the appropriate excise duty remittance voucher. A CRA cashier's "date received" stamp will indicate the date of receipt. The person making the payment should also ensure that a receipt is issued, or that the top portion of the remittance voucher is date-stamped.  52. The decision to use a courier service or any other agent to deliver a payment of excise duty is a business decision, involving a contract between the person remitting the payment and the courier or agent. Should the courier or agent fail to deliver the payment on time, the person remitting the payment is liable and will be assessed penalty and interest. Any dispute between the person and the courier or agent is a private matter.

### Debts and the collections process

Debts ss 284(1)	53. Excise duty and other amounts payable under the Act are debts due to the Crown and may be recovered through the court process or in any other manner provided under the Act.
Reminder notice	54. A person who owes excise duty or is late filing returns may receive a notice or a telephone call from a CRA official as a reminder of their obligation to pay past due excise duty or file outstanding returns.  55. Additional information on the collections process will be available in Excise Duty Memorandum 12.2.1, <i>Collection Activities</i> .

### Interest

Amounts not paid when required s 170	56. Any amounts owing under the Act that are not paid as and when required are subject to interest under the Act.  57. Additional information on the charging of interest on unpaid amounts and related topics will be available in Excise Duty Memorandum 10.2.1, <i>Interest and Fairness Provisions</i> .
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### Offences and penalties

Enforcement  
Part 6

58. Additional information on offences and penalties will be provided in Excise Duty Memoranda 3.9.1, *Spirit-Related Offences and Penalties*, 4.9.1, *Wine-Related Offences and Penalties*, 5.9.1, *Denatured and Specially Denatured Alcohol-Related Offences and Penalties*, 7.9.1, *Tobacco-Related Offences and Penalties*, 8.9.1, *Warehousing-Related Offences and Penalties*, and 9.9.1, *Books and Records-Related Penalties*.

All of the memoranda in the Excise Duty Memoranda Series are available on the CRA Web site at <http://www.cra-arc.gc.ca/tax/technical/act2001-e.html>.