

Excise Duty Memoranda Series

10.1.3 Completing an Excise Duty Return – Excise Warehouse Licensee

August 2003

Overview

This memorandum provides line-by-line instructions on how to complete form B262, *Excise Duty Return – Excise Warehouse Licensee*, required to be filed monthly by excise warehouse licensees under the *Excise Act, 2001* (the “Act”). It also provides information on when and where to file the return.

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 Customs and Revenue Agency (CCRA) tax services office for additional information.

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La version française de ce document est intitulée *Comment remplir une déclaration des droits d'accise – Exploitant agréé entrepôt d'accise*.



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

Canada

General

Excise warehouse licensee
s 19

1. An excise warehouse licence authorizes a person (i.e., an excise warehouse licensee) who is not an alcohol retailer, to possess, in their excise warehouse, non-duty-paid packaged alcohol or manufactured tobacco and cigars that are not stamped. The following alcohol retailers may also be issued an excise warehouse licence:

- a) alcohol licensees;
- b) liquor authorities; and
- c) any person who supplies goods in accordance with the *Ships' Stores Regulations*.

2. The responsibilities of an excise warehouse licensee are discussed in detail in Excise Duty Memorandum 8.1.1, *Excise Warehouses*.

Rates of excise duty – spirits
Schedules 4 and 5
s 122 and 123

3. The following rates are used to calculate the amount of excise duty or special duty payable on spirits:

- \$11.066 per litre of absolute ethyl alcohol (LAA) (spirits containing more than 7% of absolute ethyl alcohol by volume);
- \$0.2459 per litre of spirits containing not more than 7% of absolute ethyl alcohol by volume; and
- special duty of \$0.12 per LAA of imported bulk spirits delivered to or imported by licensed users.

Rates of excise duty – wine
Schedule 6
s 134 and 135

4. The following rates are used to calculate the amount of excise duty payable on wine:

- \$0.0205 per litre of wine containing not more than 1.2% of absolute ethyl alcohol by volume;
- \$0.2459 per litre of wine containing more than 1.2% but not more than 7% of absolute ethyl alcohol by volume; and
- \$0.5122 per litre of wine containing more than 7% of absolute ethyl alcohol by volume.

Reporting based on possession

5. Inventories are to be reported based on the possession of the products on pages 2, 3 and 4 of this excise duty return, regardless of who is responsible for them.

6. Include on this excise duty return only information that applies to the fiscal month for which you are filing, and only complete the lines of the return that apply to you. Indicate NIL on the lines that do not apply to you.

Line-by-line instructions

PAGE 1

Identification of licensee

- Identification** 7. The top left portion of all four pages of the return is used to identify the excise warehouse licensee. A licensee must complete this section on all pages by entering the complete legal name, trading name (if different from the legal name) and the mailing address of the licensee.
- Field 1 – Business Number** 8. Enter your 9-digit Business Number (BN), 2-letter (RD) program identifier, and 4-digit program account number.
- Field 2 – Period covered** 9. Enter the fiscal month covered by this return. The dates should be entered in the order year / month / day.
- Field 3 – Due date of return** 10. The due date for an excise duty return is the last day of the fiscal month following each fiscal month of a licensee. Enter this date for the fiscal month for which you are filing. The due date should be entered in the order year / month / day.

Description – add any missing descriptions

- Line 4 – Spirits >7% (LAA)** 11. Under the heading “Quantity”, enter the total LAA of spirits containing more than 7% of absolute ethyl alcohol by volume that were removed for entry into the duty-paid market. Calculate the amount of excise duty payable and enter the result under “Duty payable” on line 4.
- Line 5 – Spirits ≤ 7% (L)** 12. Under the heading “Quantity”, enter the total litres of spirits containing 7% or less of absolute ethyl alcohol by volume that were removed for entry into the duty-paid market. Calculate the amount of excise duty payable and enter the result under “Duty payable” on line 5.
- Line 6 – Imported spirits to licensed users (LAA)** 13. Under the heading “Quantity”, enter the total LAA of imported spirits delivered to licensed users. Calculate the amount of special duty payable and enter the result under “Duty payable” on line 6.
- Line 7 – Wine > 7% (L)** 14. Under the heading “Quantity”, enter the total litres of wine containing more than 7% of absolute ethyl alcohol by volume that were removed for entry into the duty-paid market and calculate the amount of excise duty payable on this quantity and enter the result under “Duty payable” on line 7.
- Line 8 – Wine > 1.2% but not > 7% (L)** 15. Under the heading “Quantity”, enter the total litres of wine containing more than 1.2% but not more than 7% of absolute ethyl alcohol by volume that were removed for entry into the duty-paid market. Calculate the amount of excise duty payable and enter the result under “Duty payable” on line 8.

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Line 9 –
Wine \leq 1.2% (L) 16. Under the heading “Quantity”, enter the total litres of wine containing 1.2 % or less of absolute ethyl alcohol by volume that were removed for entry into the duty-paid market. Calculate the amount of excise duty payable and enter the result under “Duty payable” on line 9.

Line 10 –
Total (lines 4 to 9) 17. Add the amounts of “Duty payable” from lines 4 to 9 and enter the total amount on line 10.

Authorized deduction / refund

Lines 11 to 16
OR
Line 19 18. There are different ways to claim an excise duty refund.
(a) Claim the total refund(s) on your monthly return:

- by recording quantities on lines 11 to 16 for any preauthorized refunds; or
- by recording the total refund on line 19 and attaching form B256, *General Application for Refund of Excise Duty Under the Excise Act, 2001*;

or

(b) Submit form B256, *General Application for Refund of Excise Duty Under the Excise Act, 2001*, separately from this return.

19. If you claim refunds on lines 11 to 16 of this return, do not include them on line 19, and do not include them on form B256, *General Application for Refund of Excise Duty Under the Excise Act, 2001*.

20. If you have already filed your refund claim separately, do not record any of that information on this return.

21. If you expect a refund from a previous fiscal month, but have not yet received it, do not include that information on this return.

Line 11 –
Spirits $>$ 7% (LAA) 22. Under the heading “Quantity”, enter the total LAA of spirits containing more than 7% of absolute ethyl alcohol by volume for which a refund has been preauthorized. Calculate the amount of excise duty refundable and enter the result under “Deduction / refund” on line 11.

Line 12 –
Spirits \leq 7% (L) 23. Under the heading “Quantity”, enter the total litres of spirits containing 7% or less of absolute ethyl alcohol by volume for which a refund has been preauthorized. Calculate the amount of excise duty refundable and enter the result under “Deduction / refund” on line 12.

Line 13 –
Imported spirits
returned
from licensed users
(LAA) 24. Under the heading “Quantity”, enter the total LAA of imported spirits that were returned from licensed users for which a deduction or refund of the special duty has been preauthorized. Calculate the amount of special duty refundable and enter the result under “Deduction / refund” on line 13.

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Line 14 –
Wine > 7% (L)

25. Under the heading “Quantity”, enter the total litres of wine containing more than 7% of absolute ethyl alcohol by volume for which a refund has been preauthorized. Calculate the amount of excise duty refundable and enter the result under “Deduction / refund” on line 14.

Line 15 –
Wine > 1.2%
but not > 7% (L)

26. Under the heading “Quantity”, enter the total litres of wine containing more than 1.2% but not more than of 7% absolute ethyl alcohol by volume for which a refund has been preauthorized. Calculate the amount of excise duty refundable and enter the result under “Deduction / refund” on line 15.

Line 16 –
Wine ≤ 1.2% (L)

27. Under the heading “Quantity”, enter the total litres of wine containing 1.2% or less of absolute ethyl alcohol by volume for which a refund has been preauthorized. Calculate the amount of excise duty refundable and enter the result under “Deduction / refund” on line 16.

Line 17 –
Total (lines 11 to 16)

28. Add the “Deduction / refund” amounts from lines 11 to 16 and enter the total on line 17.

Line 18 –
Net payable
(line 10 minus line 17)

29. Calculate the “Net payable” amount by subtracting line 17 from line 10 and enter the result on line 18.

Line 19 –
Credits
(form B256 attached)

30. Enter an amount on line 19 **only** if you are attaching a completed form B256, *General Application for Refund of Excise Duty Under the Excise Act, 2001*, **and** you have not claimed the refunds on lines 11 to 16 of this return.

Line 20 –
Amount due
(line 18 minus line 19)

31. Subtract line 19 from line 18 and enter the result as “Amount due” on line 20. If the amount is negative, place a minus sign to the left of the amount.

Line 21 –
Payment herewith /
credit due

32. If the result on line 20 is a positive amount, enter that amount on line 21 and circle “payment herewith”. Enclose a cheque or money order, in Canadian dollars, payable to the Receiver General. If you have already paid the amount due to the CCRA or an authorized financial institution, enter NIL on line 21.

33. If the result on line 20 is a negative amount, enter the same amount on line 21 and circle “credit due”.

Client contact name / telephone number

34. Enter the complete name and telephone number of a person who may be contacted concerning this excise duty return.

Certification

35. An authorized representative must print their name and title, sign and date the return, and provide a current telephone number.

PAGE 2 – SPIRITS

Opening balance

Line A – 36. The opening balance of this return must equal the last fiscal month’s closing
Opening balance balance. Enter amounts for “Opening balance” under the applicable columns on line A.

Additions to inventory

Domestic 37. For each column, enter the total quantity of domestic non-duty-paid packaged spirits entered into the excise warehouse.

Imported 38. For each column, enter the total quantity of imported non-duty-paid packaged spirits entered into the excise warehouse. Report **all** imported products (“United States” and “Other”) on the line “Other”. **Do not enter any information on the line “United States”.**

Returned 39. For each column, enter the total quantity of packaged spirits returned from duty-paid and non-duty-paid sources that were entered into the excise warehouse.

Line B – 40. Add the above quantities of packaged spirits (i.e., all additions to warehouse
Total additions inventory) and enter the sums on line B.

Reductions to inventory – non-duty-paid

Registered users 41. For each column, enter the total quantity of non-duty-paid packaged spirits removed from the excise warehouse for delivery to registered users.

Accredited 42. For each column, enter the total quantity of non-duty-paid packaged spirits
representatives removed from the excise warehouse for delivery to accredited representatives.

Duty free shops 43. For each column, enter the total quantity of non-duty-paid packaged spirits removed from the excise warehouse for delivery to duty free shops.

Ships’ stores 44. For each column, enter the total quantity of non-duty-paid packaged spirits removed from the excise warehouse for delivery as ships’ stores.

Licensed users 45. For each column, enter the total quantities of domestic and imported non-duty-paid packaged spirits removed from the excise warehouse for delivery to licensed users.

Other excise 46. For each column, enter the total quantity of non-duty-paid packaged spirits
warehouses removed from the excise warehouse to other excise warehouses.

Exported 47. For each column, enter the total quantity of non-duty-paid packaged spirits removed from the excise warehouse and destined for export. Report **all** exported products (“United States” and “Other”) on the line “Other”. **Do not enter any information on the line “United States”.**

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- Returned to spirits licensees 48. For each column, enter the total quantity of non-duty-paid packaged spirits returned to spirits licensees.
- Breakage 49. For each column, enter the total quantity of non-duty-paid packaged spirits removed from the excise warehouse due to breakage.
- Removed for other purposes 50. For each column, enter the total quantity of non-duty-paid packaged spirits removed from the excise warehouse for other purposes, and specify the purpose for that removal.
- Line C –**
Total non-duty-paid reductions 51. Add the above quantities of non-duty-paid packaged spirits (i.e., all reductions to warehouse inventory) and enter the sums on line C.

Reductions to inventory – duty-paid

- Packaging (excluding marked special containers) 52. For each column, enter the total quantity of packaged spirits, other than spirits in marked special containers, that were removed from the excise warehouse duty-paid and entered into the duty-paid market.
- Marked special containers 53. For each column, enter the total quantity of spirits packaged in marked special containers that were removed from the excise warehouse duty-paid and entered into the duty-paid market.
- Removed for other purposes 54. For each column, enter the total quantity of packaged spirits removed from the excise warehouse duty-paid for other purposes, and specify the purpose for that removal.
- Line D –**
Total duty-paid reductions 55. Add the above quantities of duty-paid packaged spirits (i.e., reductions to warehouse inventory) and enter the sums on line D.

Total reductions

- Line E –**
Total reductions (C+D) 56. Add the results from lines C and D and enter the sums on line E.

Inventory adjustments

- Line F –**
Inventory adjustments (+ or –) 57. Adjustments may be necessary to balance the physical inventory with the book inventory. The closing or book inventory must agree with the physical inventory for the fiscal month. All adjusting entries are subject to audit and must be entered as “Inventory adjustments” on line F.

Closing balance

- Line G –**
Closing balance (A+B) – E±F 58. The closing balance is the sum of lines A and B, minus line E, plus or minus any adjustments on line F: (A+B) – E±F. This closing balance will become the opening balance for the following fiscal month.

PAGE 3 – WINE

Opening balance

Line A – 59. The opening balance of this return must equal the last fiscal month’s closing
Opening balance balance. Enter amounts for “Opening balance” under the applicable columns on line A.

Additions to inventory

Domestic 60. For each column, enter the total quantity of domestic packaged wine entered into the excise warehouse.

Imported 61. For each column, enter the total quantity of imported packaged wine entered into the excise warehouse. Report **all** imported products (“United States” and “Other”) on the line “Other”. **Do not enter any information on the line “United States”.**

Returned 62. For each column, enter the total quantity of packaged wine returned from duty-paid or non-duty-paid sources entered to the excise warehouse.

Line B – 63. Add the above quantities of packaged wine (i.e., all additions to warehouse
Total additions inventory) and enter the sums on line B.

Reductions to inventory – non-duty-paid

Accredited 64. For each column, enter the total quantity of non-duty-paid packaged wine
representatives removed from the excise warehouse for delivery to accredited representatives.

Duty free shops 65. For each column, enter the total quantity of non-duty-paid packaged wine removed from the excise warehouse for delivery to duty free shops.

Ships’ stores 66. For each column, enter the total quantity of non-duty-paid packaged wine removed from the excise warehouse for delivery for use as ships’ stores.

Licensed users 67. For each column, enter the total quantity of non-duty-paid packaged wine (i.e., domestically produced or imported) removed from the excise warehouse for delivery to licensed users.

Other excise 68. For each column, enter the total quantity of non-duty-paid packaged wine
warehouses removed from the excise warehouse to other excise warehouses.

Exported 69. For each column, enter the total quantity of non-duty-paid packaged wine removed from the excise warehouse and destined for export. Report **all** exported products (“United States” and “Other”) on the line “Other”. **Do not enter any information on the line “United States”.**

Returned 70. For each column, enter the total quantity of non-duty-paid packaged wine
to wine licensee removed from the excise warehouse and returned to wine licensees.

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- Breakage 71. For each column, enter the total quantity of non-duty-paid packaged wine removed from the excise warehouse due to breakage.
- Removed for other purposes 72. For each column, enter the total quantity of non-duty-paid packaged wine removed from the excise warehouse for other purposes, and specify the purpose for that removal.
- Line C –**
Total non-duty-paid reductions 73. Add the above quantities of non-duty-paid packaged wine (i.e., all reductions to warehouse inventory) and enter the sums on line C.

Reductions to inventory – duty-paid

- Packaging (excluding marked special containers) 74. For each column, enter the total quantity of packaged wine, other than wine in marked special containers, removed from the excise warehouse duty-paid and entered into the duty-paid market.
- Marked special containers 75. For each column, enter the total quantity of wine packaged in marked special containers removed from the excise warehouse duty-paid and entered into the duty-paid market.
- Removed for other purposes 76. For each column, enter the total quantity of packaged wine removed from the excise warehouse duty-paid for other purposes, and specify the purpose for that removal.
- Line D –**
Total duty-paid reductions 77. Add the above quantities of duty-paid packaged wine (i.e., all reductions to warehouse inventory) and enter the sums on line D.

Total reductions

- Line E**
Total reductions (C+D) 78. Add the above results from lines C and D and enter the sums on line E.

Inventory adjustments

- Line F –**
Inventory adjustments (+ or -) 79. Adjustments may be necessary to balance the physical inventory with the book inventory. The closing or book inventory must agree with the physical inventory for the fiscal month. All adjusting entries are subject to audit and must be entered as “Inventory adjustments” on line F.

Closing balance

- Line G –**
Closing balance (A+B) – E ± F 80. The closing balance is the sum of lines A and B, minus line E, plus or minus any adjustments on line F: $(A + B) - E \pm F$. This closing balance will become the opening balance for the following fiscal month.

PAGE 4 – TOBACCO

Opening balance

Line A – 81. The opening balance of this return must equal the last fiscal month’s closing
Opening balance balance. Enter amounts for “Opening balance” under the applicable columns on line A.

Additions to inventory

Tobacco licensees 82. For each column, enter the quantity of each product received from tobacco
licensees entered into the excise warehouse. Exclude partially manufactured tobacco.

Tobacco licensees 83. Enter the quantity of partially manufactured tobacco received from tobacco
(for export) licensees entered into the excise warehouse and destined for export.

Other excise 84. For each column, enter the quantity of cigars and imported manufactured tobacco
warehouses (i.e., cigarettes, tobacco and other manufactured tobacco) received from other excise
warehouses entered into the licensee’s excise warehouse. Exclude partially manufactured
tobacco.

Imported 85. For each column, enter the quantity of imported cigars and manufactured tobacco
entered into the excise warehouse. Report **all** imported products
 (“United States” and “Other”) on the line “Other”. **Do not enter any information on
 the line “United States”.**

Line B – 86. Add the above quantities (i.e., all additions to warehouse inventory) and enter the
Total additions sums on line B.

Reductions to inventory – domestic deliveries

Accredited 87. For each column, enter the quantities of Canadian manufactured tobacco and
representatives cigars and imported manufactured tobacco removed from the excise warehouse for
delivery to accredited representatives. Exclude partially manufactured tobacco.

Special excise 88. For each column, enter the quantity of each product removed from the excise
warehouse licensees warehouse for delivery to special excise warehouse licensees. Exclude partially
manufactured tobacco.

Duty free shops 89. For each applicable column, enter the quantities of cigars and imported
manufactured tobacco removed from the excise warehouse for delivery to duty free
shops.

Ships’ stores 90. For each applicable column, enter the quantities of cigars and imported
manufactured tobacco removed from the excise warehouse for delivery as ships’ stores.

Other excise warehouse 91. For each applicable column, enter the quantities of cigars and imported
manufactured tobacco removed from the excise warehouse to other excise warehouses.

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Rework / destruction 92. For each column, enter the quantity of products removed from the excise warehouse destined for reworking or destruction. Exclude partially manufactured tobacco.

Line C –
Total domestic deliveries reductions 93. Add the above quantities (i.e., domestic deliveries reductions to inventory) and enter the sums on line C.

Reductions to inventory – export deliveries

Foreign brand tobacco 94. For each column, enter the quantity of foreign brand tobacco removed from the excise warehouse and destined for export. Exclude cigars and partially manufactured tobacco.

Canadian manufactured tobacco 95. For each column, enter the quantity of Canadian manufactured tobacco removed from the excise warehouse and destined for export. Exclude cigars and partially manufactured tobacco.

Cigars 96. Enter the quantity of cigars removed from the excise warehouse and destined for export.

Exported 97. Enter the quantity of partially manufactured tobacco removed from the excise warehouse and destined for export. Report that quantity (“United States” and “Other”) **only** on the line “Other”. **Do not enter any information on the line “United States”.**

Imported tobacco products 98. For each column, enter the quantities of imported cigars and manufactured tobacco removed from the excise warehouse for export. Exclude partially manufactured tobacco.

Line D –
Total export deliveries reductions 99. Add the above quantities (i.e., export deliveries reductions to inventory) and enter the sums on line D.

Total deliveries reductions

Line E –
Total deliveries reductions (C+D) 100. Add the results from lines C and D and enter the sums on line E.

Inventory adjustments

Line F –
Inventory adjustments (+ or –) 101. Adjustments may be necessary to balance the physical inventory with the book inventory. The closing or book inventory must agree with the physical inventory for the fiscal month. All adjusting entries are subject to audit and must be entered as “Inventory adjustments” on line F.

Closing balance

Line G –
Closing balance (A+B) – E±F 102. The closing balance is the sum of lines A and B, minus line E, plus or minus any adjustments on line F: (A+B) – E±F. This closing balance will become the opening balance for the following fiscal month.

Where to file

103. You may file your excise duty return and payment by mailing it to the following address:

Canada Customs and Revenue Agency
Summerside Tax Centre
Other Levies Division
275 Pope Road, Suite 101
Summerside PE C1N 6E7

104. You may also file your return and payment by delivering it to any CCRA tax services office, or payments may be made at authorized financial institutions.

Payments

105. Excise duty payments must be received at a CCRA tax services office, an authorized financial institution, or the Summerside Tax Centre on or before the due date of the return.

106. Cheques and money orders must be made payable to the Receiver General. Please indicate your Business Number and program account number on the back of your cheque or money order.

Small amounts owing
s 165

107. The CCRA does not charge or refund a balance of \$2 or less. However, such an amount may be deducted from a balance owing by the licensee.

Large payments
s 163

108. Payments of \$50,000 or more must be made at an authorized financial institution in Canada.

109. Additional information with respect to the filing of monthly returns, remitting excise duty, and paying the correct amount of excise duty is available in Excise Duty Memorandum 10.1.1, *Returns and Payments*.

Interest charges

110. Failure to remit payments to an authorized financial institution or CCRA office by the due date of the return will result in interest charges.

Retention of information

Keeping records
s 206

111. You should retain a copy of this return for your records, as the return and any other information used to prepare it are subject to audit and must be retained for verification purposes.

112. Additional information on the requirement to maintain books and records is available in Excise Duty Memorandum 9.1.1, *General Requirements for Books and Records*.

All of the memoranda in the Excise Duty Memoranda Series will be available on the CCRA Web site at <http://www.ccra-adrc.gc.ca/tax/technical/act2001-e.html>