

**REVENU  
QUÉBEC**



**FAIR.  
FOR ALL.**

A full-page photograph of a young man with brown hair and a light beard, smiling warmly at the camera. He is wearing a white button-down shirt and a dark-colored apron. The background is a blurred kitchen or bar area with shelves and a brick wall. A large blue diagonal graphic element is overlaid on the left side of the image.

**CONSUMPTION TAXES  
AND PRODUCERS OF  
ALCOHOLIC BEVERAGES**

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[revenuquebec.ca](http://revenuquebec.ca)

Alcoholic beverages are subject to the goods and services tax (GST), the Québec sales tax (QST), and the specific tax on alcoholic beverages.

If you sell the alcoholic beverages that you produce to other persons for resale, you are generally a collection officer.

If you sell the alcoholic beverages that you produce directly to consumers, you are a retail vendor.

In this document, we explain how the consumption taxes are applied in each situation.

You must inform us if you produce and sell beer, wine, cider or any other alcoholic beverage.

You are required to collect the specific tax on alcoholic beverages, the GST and the QST, and to remit the taxes to us. As a rule, you are required to be registered for the GST and QST.

The GST rate is 5%, and the QST rate is 9.975%. The rates for the specific tax on alcoholic beverages are given below.

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## **You are not registered for the GST and the QST**

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If you are not registered for the GST and the QST, you must register. If you are a small supplier, you are not required to register for or collect the GST. A small supplier is a person whose total taxable sales do not exceed \$30,000 in a particular calendar quarter or in the four calendar quarters immediately preceding it. Total taxable sales consist of the worldwide sales made by the person and any associates during that period.

Regardless of the annual amount of your taxable sales or whether you are required to register for the GST, you are required to register for the QST and collect and remit the QST and the specific tax on alcoholic beverages.

To register for the GST or the QST, use our online services at [revenuquebec.ca](http://revenuquebec.ca) or call us at one of the numbers given at the end of this document. You can also complete form LM-1-V, *Application for Registration*, which is available on our website. You can also order a copy of the form online or by calling us.

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## **You are already registered for the GST and the QST**

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If you are already registered for the GST and the QST because of your other commercial activities, you will have to modify your registration to take into account the fact that you are now producing alcoholic beverages. To do so, use our online services at [revenuquebec.ca](http://revenuquebec.ca) or call us at one of the numbers given at the end of this document. You can also complete form LM-1-V.

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## **You make retail sales of alcoholic beverages, are a registrant and start producing alcoholic beverages**

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If you make retail sales of alcoholic beverages, are a registrant and start producing alcoholic beverages, you must contact us to modify your registration so that it takes into account your new activities as a producer of alcoholic beverages. To do so, use our online services at [revenuquebec.ca](http://revenuquebec.ca) or call us at one of the numbers given at the end of this document. You can also complete form LM-1-V.

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## Specific tax on alcoholic beverages

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The rates of the specific tax on alcoholic beverages are as follows:

- \$0.63 per litre for beer;
- \$1.40 per litre for alcoholic beverages other than beer.

The rates of the specific tax on alcoholic beverages remain the same, regardless of where the alcoholic beverages are consumed. You must collect this tax and use form VDZ-498-V, *Return Respecting the Specific Tax on Alcoholic Beverages*, to remit the tax to us.

Beer is the beverage obtained by the alcoholic fermentation in drinking water of an infusion or decoction of barley malt, hops or any other similar product, or an alcoholic beverage composed of beer and other non-alcoholic substances.

### Reduction of the tax on beer

For litres of beer sold or distributed free of charge in Québec by a brewer, the tax reduction for a calendar year is 67% on the first 7.5 million litres and 33% on the next 7.5 million litres. The current rate applies as of the 15,000,001st litre sold or distributed free of charge.

If you are a brewer, the reduction applies to the litres of beer sold or distributed free of charge by you, by an associated brewer or by a brewer whose business you took over. In addition, if you are an amalgamated corporation in its first calendar year of operation, you must include in the calculation of the number of litres the litres sold or distributed free of charge during that year by each of the predecessor corporations.

## Reduction of the tax on alcoholic beverages other than beer

For litres of alcoholic beverages other than beer sold or distributed free of charge by a small-scale producer, the tax reduction for a calendar year is 100% on the first 150,000 litres and 85% on the next 1.35 million litres. The current rate applies as of the 1,500,001st litre sold or distributed free of charge.

If you are a small-scale producer, the reduction applies to litres of alcoholic beverages other than beer that you sold or distributed free of charge if the raw material used in your production comes primarily from land situated in Québec that you own or rent. Furthermore, the total

worldwide volume of alcoholic beverages other than beer sold or distributed free of charge by you, by an associated producer or by a producer whose business you took over must not exceed 1,500,000 litres during the previous calendar year.

If you are an amalgamated corporation in its first year of operation, you must include in the calculation of the number of litres the total worldwide volume of alcoholic beverages other than beer that each predecessor corporation sold or distributed free of charge in the previous calendar year.

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## Summary

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### Rate of the specific tax on alcoholic beverages

Beer		
Quantity	Reduction	Tax rate
From 1 to 7,500,000 litres	67% reduction	\$0.2079/litre
From 7,500,001 to 15,000,000 litres	33% reduction	\$0.4221/litre
Over 15,000,000 litres	Regular rate	\$0.63/litre

Alcoholic beverages other than beer		
Quantity	Reduction	Tax rate
From 1 to 150,000 litres	100% reduction	\$0.00/litre
From 150,001 litres to 1,500,000 litres	85% reduction	\$0.21/litre
Over 1,500,000 litres	Regular rate	\$1.40/litre



## Sale of beer by the holder of a brewer's permit or a small-scale producer's permit

### Example 1

A microbrewery that holds a brewer's permit sells beer it produced to a grocery store.

The microbrewery is considered a collection officer because it sells the beer for the purposes of resale. It must therefore collect from the grocery store an amount equal to the specific tax on alcoholic beverages at the tax rate of \$0.63 per litre of beer, subject to any applicable reduction.

The microbrewery must file the *Return Respecting the Specific Tax on Alcoholic Beverages* (form VDZ-498-V) to report and remit the amount to us according to its QST reporting period.

### Example 2

A microbrewery that holds a brewer's permit sells beer it produced to a restaurant.

The microbrewery is considered a collection officer because it sells the beer for the purposes of resale. It must collect from the restaurant an amount equal to the specific tax on alcoholic beverages at the tax rate of \$0.63 per litre of beer, subject to any applicable reduction.

The microbrewery must file the *Return Respecting the Specific Tax on Alcoholic Beverages* (form VDZ-498-V) to report and remit the amount to us according to its QST reporting period.

### Example 3

A microbrewery that holds a small-scale producer's permit sells beer it produced for consumption on the premises where the beer is brewed.

As this is a retail sale, the microbrewery must collect from the consumer the specific tax on alcoholic beverages at the rate of \$0.63 per litre of beer, subject to any applicable reduction.

The microbrewery must file the *Return Respecting the Specific Tax on Alcoholic Beverages* (form VDZ-498-V) to report and remit the amount to us according to its QST reporting period.

### Example 4

A microbrewery that is registered for the GST and QST holds a small-scale producer's permit for beer. On February 24, 2018, it sells for \$8 a 600 ml glass of beer it produced for consumption on the premises where the beer is brewed.

The microbrewery must collect from the consumer the specific tax on alcoholic beverages at the tax rate of \$0.2079 per litre of beer because, on February 24, 2018, the number of litres of beer sold or distributed free of charge by the microbrewery is less than 7.5 million litres.

Beer		\$8.00
Specific tax on alcoholic beverages (\$0.2079/litre × 0.600 litre)	+	\$0.12
<b>Subtotal</b>		<b>\$8.12</b>
GST (\$8.12 × 5%)	+	\$0.41
QST (\$8.12 × 9.975%)	+	\$0.81
<b>Total payable by the consumer</b>		<b>\$9.34</b>

## Sale of alcoholic beverages other than beer by the holder of a small-scale producer's permit

### Example

In general, a 100% reduction of the specific tax on alcoholic beverages applies to small-scale producers of alcoholic beverages other than beer. These producers therefore do not have to collect the tax.

However, they must file the *Return Respecting the Specific Tax on Alcoholic Beverages* (form VDZ-498-V) according to their QST reporting period, even if they have no remittance to make.

In the examples above, the producers must collect 5% GST on the products sold, unless they are non-registrant small suppliers. They must also collect 9.975% QST on the products sold. The taxes must be reported and remitted to us using form FPZ-500-V, *GST/HST-QST Return*.

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This document is provided for information purposes only. It does not constitute a legal interpretation of the *Excise Tax Act*, the *Act respecting the Québec sales tax* or any other legislation.

# TO CONTACT US

## Online

revenuquebec.ca



## By telephone

### Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City	Montréal	Elsewhere
418 659-6299	514 864-6299	1 800 267-6299 (toll-free)

### Businesses, employers and agents for consumption taxes

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City	Montréal	Elsewhere
418 659-4692	514 873-4692	1 800 567-4692 (toll-free)

### Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to noon and 1:00 p.m. to 4:30 p.m.

Québec City	Elsewhere
418 652-6159	1 800 827-6159 (toll-free)

### Individuals with a hearing impairment

Montréal	Elsewhere
514 873-4455	1 800 361-3795 (toll-free)

## By mail

### Individuals and individuals in business

#### Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Businesses, employers and agents for consumption taxes

#### Montréal, Laval, Laurentides, Lanaudière, Montérégie, Estrie and Outaouais

Direction principale des relations  
avec la clientèle des entreprises  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des entreprises  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Complaints – Bureau de la protection des droits de la clientèle

Revenu Québec  
3800, rue de Marly, secteur 3-4-5  
Québec (Québec) G1X 4A5

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Cette publication est également disponible en français et s'intitule *Les fabricants de boissons alcooliques et les taxes à la consommation* (IN-263).

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