**The Ministry of Finance administers the *Tobacco Tax Act* and conducts enforcement activities to combat illegal tobacco in Ontario.**

**When conducting tobacco related seizures police may call: 1-800-656-8626 (enforcement calls only)**

Illegal Tobacco

Fact Sheet

# NEW Tobacco Enforcement Grants Pilot Program 2018/19-2019/20

* A grant program to help fund tobacco investigations by local law enforcement agencies
* Successful grant recipients may receive up to $7,000 in funding from the Ministry of Finance to conduct a time-limited tobacco investigation within their jurisdiction
* The ministry will provide direct or advisory operational support throughout the investigation
* Contact TEGP@ontario.ca or call 905-433-6100 for more information or for an application form

# Illegal tobacco harms communities

* Gives people — especially young people — easier access to cigarettes
* Contributes to organized crime, including drugs and weapons
* Is a fire hazard, because some illegal cigarettes lack self-extinguishing features
* Hurts local businesses that follow the law
* Takes millions of tax dollars away from public services, like education and health care

# Illegal tobacco is subject to charges

* Possession of illegal tobacco carries fines ranging from $100 to $10,000
* Illegal tobacco can be seized
* Vehicles used to transport illegal tobacco can be impounded
* Subsequent convictions for possession of illegal tobacco and possession of more than 10,000 illegal cigarettes can carry sentences of up to two years in jail

# Police authority under the *Tobacco Tax Act* (TTA)

* **Plain View Seizures** – Under s. 29(4) of the TTA, officers have the authority to seize unmarked cigarettes and unmarked fine cut tobacco found in plain view
* **Vehicle Detentions/Searches** – Officers must contact the Ministry of Finance at **1-800-656-8626** for authorization to detain and search a vehicle under s. 24 of the TTA
* **Motor Vehicle Impoundment** – The TTA permits a person who is authorized by the Minister to detain a vehicle under ss. 24(1) until it is impounded under ss. 24(10.2) if the vehicle was used to transport or possess amounts in excess of tobacco in bulk
* **Charges and Fines** – Part I and Part III charges and fines apply under the TTA for unmarked cigarettes and/or unmarked fine cut tobacco
* **Primary Indictors of Illegal Tobacco in Vehicle for Reasonable and Probable Grounds of an offence under the TTA**:
	+ A strong smell of tobacco
	+ Boxes typical of contraband tobacco transport and smuggling
	+ Markings on boxes representative of tobacco

# Selling Tobacco in Ontario

* Everyone who sells or delivers tobacco **to a consumer** must have either a Tobacco Retail Dealer’s Permit OR Vendor’s Permit under the *Retail Sales Tax Act*
* Everyone who buys, sells or transports tobacco **in bulk** must be registered with the Ministry of Finance and have the appropriate registration
* Everyone who produces, processes, sells, delivers, imports or exports **raw leaf tobacco** must be registered with the Ministry of Finance and have the appropriate registration
* If you encounter anybody with raw leaf tobacco, call Ministry of Finance at **1-800-656-8626**

# How to spot illegal tobacco

* Legal cigarettes and fine cut tobacco are marked with a yellow stamp, indicating that Ontario and Federal tobacco tax has been paid – illegal tobacco is ‘unmarked’
* Cigarettes in baggies do not have Canada or Ontario tax markings and are **illegal for any person to possess**
* Quantities of 50 cartons of cigarettes or more, or 10,000 grams or more of tobacco require a permit under the TTA
* Baggies of cigarettes are typically transported in brown cardboard boxes that are have dimensions of 21” high, 18” wide, and 9” deep and are unique to the industry

# Exemptions

* First Nations individuals with a status card and diplomats are exempt from paying tobacco taxes.
* These individuals are entitled to possess cigarettes and fine cut tobacco that display a peach-coloured stamp. This stamp only appears on cigarette and fine-cut tobacco packages and cartons that are legal for these tax-exempt individuals.

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