

At a glance: Government revenues from the sale of cannabis, March 2019

Released at 8:30 a.m. Eastern time in The Daily, Wednesday, June 19, 2019

In the first five and a half months following the legalization of cannabis, Canadian governments earned \$186 million from excise taxes and general taxes on goods and services directly related to the sale of cannabis.

Excise taxes are product-specific taxes on goods, and are levied on products such as tobacco, alcohol and fuel. General taxes on goods and services are non-product specific taxes, and include taxes such as the Harmonized Sales Tax (HST), Goods and Services Tax (GST), Provincial Sales Tax (PST) or the Quebec Sales Tax (QST).

Similar to alcohol, tobacco and fuel, cannabis is subject to both general taxes on goods and services as well as excise taxes. General taxes on goods or services vary from a 5% GST in Alberta to a 15% HST in the Atlantic provinces. Excise taxes on cannabis are charged at the higher rate of \$1 per gram or 10% of the pre-tax transaction price. Additionally, excise sales tax adjustment rates apply in Alberta, Saskatchewan, Ontario and Nunavut. Manitoba applies a special fee and a wholesale product mark-up rate in lieu of the federally-administered, provincial portion of the excise taxes on cannabis.

The federal government drew \$19 million in excise taxes, while provincial governments drew \$79 million from excise taxes and excise sales tax adjustments. An estimated additional \$36 million came from federal general taxes on goods and services, while \$53 million came from direct provincial general taxes on goods and services.

Excises taxes from cannabis increased 12.4% in the first quarter of 2019 from the fourth quarter of 2018 on higher sales by licensed producers to distributors. Over the same period, general taxes on goods and services from the sale of cannabis were up 68.1% from increased purchases made by households.



Table 1
Government revenues from the sale of cannabis, fourth quarter of 2018 and first quarter of 2019

	Fourth quarter of 2018	First quarter of 2019
	millions of dollars	
Total revenue directly related to cannabis¹	79.0	107.1
Federal excise taxes	9.0	9.8
Provincial excise taxes ²	37.1	42.0
Federal general taxes on goods and services	13.2	22.3
Provincial general taxes on goods	19.7	33.0

1. Total revenue directly from cannabis excludes contributions from corporate income tax, personal income tax, payroll taxes, property tax, licenses and permits and other taxes as well as multiplier effects.

2. Provincial excise taxes include excise sales tax adjustments.

Source(s): Table [36-10-0477-01](#) and [36-10-0484-01](#).

Federal and provincial government revenue from general taxes on goods and services as well as excise taxes may rise further in the second half of the year, as additional cannabis retail outlets are scheduled to open.

Note to readers

Future releases may include additional detail and other cannabis related revenue as more information becomes available. All values are subject to revision as new and revised sources of information related to cannabis continue to be made available.

For more statistics on cannabis, please visit the [Cannabis Stats Hub](#) containing the latest estimates from Statistics Canada.

Definitions, data sources and methods: survey number [5174](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).