

RETHINK your DRINK



Facts About the Sugar Sweetened Beverage Tax

Why has government introduced this initiative?

- The Government of Newfoundland and Labrador has introduced a tax on sugar sweetened beverages with the goal of encouraging residents to make healthier beverage choices.
- This initiative aligns with recommendations from the World Health Organization, the Canadian Healthy Eating Strategy, Canada's Food Guide and the position statement from the Canadian Paediatric Society which is supported by the Dietitians of Canada, the Childhood Obesity Foundation, Diabetes Canada, and the Heart and Stroke Foundation of Canada.
- Revenues generated will help fund healthy living initiatives such as the Physical Activity Tax Credit, pre-natal infant nutrition supplement, and school breakfast and lunch programs.

What types of beverages are included?

- It applies to sugar sweetened ready-to-drink beverages such as soft-drinks, fruit flavoured drinks, sports and energy drinks, as well as sugar sweetened dispensed beverages such as soda fountain drinks, slush drinks and fruit juices. It also applies to sugar sweetened concentrated drink mixtures.
- It **does not** apply to:
 - 100 per cent natural fruit or vegetable juices
 - sugar-free sodas
 - chocolate milk
 - alcoholic beverages
 - syrups, purées, and powders used primarily as a cooking or food preparation ingredient
 - beverages prepared for the customer in a food and/or beverage-service establishment at the time of purchase (e.g. adding sugar to coffee or tea)

How does the tax work?

Tax is collected at the wholesaler level and most retailers will not have to remit. Here's how it works:

- Wholesalers invoice and collect the sugar sweetened beverage tax from retailers.
- Retailers, in turn, price sugar sweetened beverages accordingly.

Note: The only retailers who would have to remit taxes directly to government are those retailers who purchase from non-registered wholesalers or businesses located outside Newfoundland and Labrador.

Need help with implementation?

- The Department of Finance is responding to inquiries from wholesalers and retailers. We will continue to help implement this healthy lifestyle initiative, which is new for Newfoundland and Labrador, and for Canada.
- Guidance for retailers on this, as well as on pricing structure is available here: [Information Circular Sugar Sweetened Beverage Tax](#)
- Further information for wholesalers and retailers:
 - 709.729.6297 (toll-free 1.877.729.6376)
 - taxadmin@gov.nl.ca