

The information in this guide will help spirits tax collectors complete the Spirits Return and Schedule to account for the Ontario spirits basic tax collectable and payable for the reporting period. It also provides information about filing requirements, the supporting schedule, penalties, offences and payment information for remitting the spirits basic tax.

For general information on Ontario's spirits tax framework, including rates and program overview, see the [Spirits Tax](#) webpage.

The information in this guide does not replace the law found in the *Liquor Tax Act, 1996 (Act)*, *Liquor Licence and Control Act, 2019*, and related regulations.

## General Information

### Who is Required to File This Return

Ontario spirits manufacturers that own and operate distillery retail stores are required to complete and file spirits tax returns.

### File, Pay and View Your Spirits Return Online

The Spirits Return, which includes a supporting schedule, must be filed electronically using the Ministry of Finance's online service, [ONT-TAXS online](#).

ONT-TAXS online is the ministry's secure, convenient, and free online tax service. It saves time, reduces paper and is available 24 hours a day, seven days a week.

Getting started is fast and easy!

Visit [ontario.ca/finance](https://ontario.ca/finance) or call us at 1-866-ONT-TAXS (1-866-668-8297).

### Filing and Payment Requirements

The Spirits Return, which includes a supporting schedule, must be completed and filed for each reporting period, even if there is no activity to report for that period.

The return must be filed with the remittance of tax **on or before the 20th day of the month following the reporting period.**

The return for each reporting period will be available through ONT-TAXS online in the month before it's due.

When filing online, complete the return in the following order:

- Product Distribution according to alcohol by volume (ABV) categories – (Schedule A)
- Tax Due Calculation (Spirits Return)

The Tax Due Calculation section is automatically populated and calculated based on the information entered.

You must keep records to support all amounts reported on the return and schedule.

## How to File Returns and Make Payments

Returns and schedules must be filed using ONT-TAXS online.

Alternative filing methods may be accepted, only in limited circumstances. If you require an alternative filing method, contact us at 1-866-ONT-TAXS (1-866-668-8297).

Online payments are encouraged; however, payments are also accepted:

- By mail to:  
Ministry of Finance  
33 King Street West  
PO Box 620  
Oshawa ON L1H 8E9
- At certain ServiceOntario locations on behalf of the ministry. For ServiceOntario Centre locations with tax services and their hours of operation and telephone numbers, visit <https://www.ontario.ca/locations/serviceontario>.

Print your Account Number or Business Number on the back of your cheque or money order. Your cheque or money order should be made payable to the “**Minister of Finance**”.

**Note:** Payments **cannot** be made at financial institutions.

## Penalties and Offences

**Failure to File a Return** by the return's due date may result in the assessment of a penalty equal to 10% of the tax collectable or 5% of the tax payable for the period covered by the return.

**Failure to Remit Tax with Return** may result in the assessment of a penalty equal to 10% of the tax collectable or 5% of the tax payable for the period covered by the return.

**Failure to Collect Required Tax** may result in a penalty equal to 100% of the amount not collected. Where the failure is due to neglect, carelessness, wilful default or fraud, an additional penalty of 25% of the amount (minimum \$100) may also apply.

**Knowingly giving false information, altering records, or attempting to evade tax** may result in fines starting at \$500 or 25% of the tax owed (whichever is greater), up to \$10,000 plus twice the tax, up to 2 years in jail, or both.

## Account Number or Business Number

Your Account Number or Business Number is the unique number assigned by the ministry to your spirits tax account and noted on your return.

## Change of Information

Please notify the ministry of any changes to your business name, address, business structure or contact information. When contacting the ministry be sure to use your Account Number or Business Number.

## Records Retention

To ensure the accurate determination of the tax collectable and payable under the Act, you are required to keep at your place of business or residence in Ontario:

- records and books of account in support of all entries on the return and schedules
- every document which verifies the information in the records and books.

You must retain these items for a period of at least 7 years following the end of the fiscal year that relates to the record or the date of your last entry made in the book.

For more information regarding records retention, visit [ontario.ca/recordretention](https://ontario.ca/recordretention).

For more information regarding audits, visit [ontario.ca/taxaudit](https://ontario.ca/taxaudit).

## Certification

The authorized signing officer must confirm that the information provided in the return is, to the best of their knowledge, true, correct and complete before submitting the return.

## Authorizing or Cancelling a Representative

You may authorize a third party (for example, an accountant or solicitor) to file your Spirits Return and make payments on your behalf.

When filing using ONT-TAXS online, you may authorize a third party directly through the online service. This authorization allows the representative to access your account, file returns and make payments on your behalf, based on the access permissions you grant.

A third party can also be authorized by completing an [Authorizing or Cancelling a Representative form](#) and submitted to the ministry before the return is filed.

## Freedom of Information

Personal information collected within the Spirits Return and schedule is collected under the authority of the Liquor Tax Act, 1996, and will be used for the purposes of the Act. Questions about the collection of this information should be directed to an agent with the ministry at 1-866-ONT-TAXS (1-866-668-8297) or in writing to:

Senior Manager  
Account Management and Collections Branch  
Ministry of Finance  
4th Floor, 33 King Street West  
Oshawa ON L1H 8H5

**Telephone:** 1-866-ONT-TAXS (1-866-668-8297)

## Enquiries

### Address

Ministry of Finance Account Management  
and Collections Branch  
33 King Street West  
PO Box 625  
Oshawa ON L1H 8H9

### Toll free

1-866-ONT-TAXS (1-866-668-8297)

### Teletypewriter (TTY)

1-800-263-7776

### Website

[ontario.ca/finance](http://ontario.ca/finance)

## Spirits Tax-Related Terms and Definitions

To assist with the completion of the return and schedule, you may find it helpful to refer to the following spirits tax-related terms and definitions.

## Spirits

Spirits has a specific meaning under the Act, which is any beverage containing alcohol obtained by distillation.

## Spirits basic tax

Spirits basic tax is the tax payable on spirits pursuant to Part II of the *Liquor Tax Act, 1996*.

The spirits basic tax is applied to the “retail price” of spirits, as defined in the Act, and is calculated using a spirits basic tax rate determined by the product’s alcohol by volume (ABV) percentage.

## Distillery retail store

Distillery retail store is a store in Ontario owned and operated by a spirits manufacturer from which the manufacturer is authorized under the *Liquor Licence and Control Act, 2019* to sell spirits to purchasers.

## Ontario Deposit Return Program

The **Ontario Deposit Return Program** refers to the liquor container deposit program under the *Liquor Licence and Control Act, 2019*. Deposit amounts are set out in [Ontario Regulation 745/21 \(General\)](#) under the *Liquor Licence and Control Act, 2019*.

## Final Purchase Price

For the purpose of this guide, **final purchase price** refers to the final amount charged to the purchaser, which includes all applicable fees and taxes for the spirits product.

## Basic price

For the purpose of this guide, the basic price is the “final purchase price”, minus the total of:

1. The amount of any deposit on the spirits container that is required to be collected or remitted under the Ontario Deposit Return Program, and
2. All taxes imposed under *Part IX of the Excise Tax Act* (Canada) in respect of the purchase of the spirits product (i.e., HST).

The basic price is used on multiple fields of the return, primarily to report non-taxable distributions.

**Example:** Spirits sold at distillery retail store in April 2026, with a final purchase price of \$39.95 per bottle (750 mL):

1. Deduct deposit (amount #1 above) applicable to the container (750 mL bottle is \$0.20):

$$\$39.95 - \$0.20 = \$39.75.$$

2. Deduct HST (amount #2 above, currently 13%) in respect of the purchase of the bottle, **rounded to the nearest cent:**

$$\text{HST on bottle} = (\$39.75/1.13) \times 0.13 = \$4.573, \text{ rounded to nearest cent} = \$4.57.$$

$$\$39.75 - \$4.57 = \mathbf{\$35.18} = \text{“basic price” of the bottle.}$$

## Retail price

Under the Act, the **retail price** of spirits is the “final purchase price” minus the total of the following amounts:

1. The amount of any deposit on the spirits container that is required to be collected or remitted under the Ontario Deposit Return Program.
2. All taxes imposed under Part IX of the *Excise Tax Act* (Canada) in respect of the purchase of the spirits (i.e., HST), and
3. Spirits basic tax imposed under the Act in respect of the purchase of spirits.

The retail price is used on multiple return fields, primarily to report distributions that are subject to the spirits basic tax.

**Example:** Spirits with ABV of 29%, purchased at a distillery retail store in April 2026, with a final purchase price of \$39.95 (750 mL glass bottle):

1. Deduct deposit (amount #1 above) applicable to each container. (750 mL bottle is \$0.20 per bottle x 1 bottle = \$0.20)

$$\$39.95 - \$0.20 = \$39.75.$$

2. Deduct HST (amount #2 above, currently 13%) in respect of the purchase of the bottle, rounded to the nearest cent:

$$\text{HST on bottle} = (\$39.75/1.13) \times 0.13 = \$4.573, \text{ rounded to nearest cent} = \$4.57.$$

$$\$39.75 - \$4.57 = \mathbf{\$35.18} = \text{“basic price” of the bottle.}$$

3. Deduct the spirits basic tax to determine “retail price”:
  - a. Add 1 to the basic tax rate that applies to the spirits (based on ABV):  $1 + 30.75\% = 1.3075^*$ .
  - b. Divide the result in Step 2 by the result in Step 3(a):

$$\$35.18/1.3075 = \mathbf{\$26.90} = \text{“retail price” of the bottle (rounded to the nearest cent).}$$

**\*Note:** If/When there is a rate change, change this value for the rate in effect for the sale or distribution.

## Taxable Distribution (other than by sale)

Taxable distribution (other than by sale) refers to spirits used or distributed by you without charge (e.g., at staff parties) and includes distributions that do not qualify under the promotional distribution exemption or that exceed the maximum promotional distribution exemption amount. **In these situations, you are considered the purchaser of the spirits and must pay the applicable tax.**

## Non-Taxable distribution (other than by sale)

Non-taxable distribution (other than by sale) refers to spirits you distributed without charge in Ontario and that you are claiming as being exempt from the spirits basic tax under the **promotional distribution exemption**. The maximum amount that may be claimed under this exemption is 1,250 litres per corporate family per 12-month period, beginning July 1.

For more information regarding the promotional distribution exemption, visit [ontario.ca/promotionaldistribution](https://ontario.ca/promotionaldistribution).

## Schedule A – Product Distribution

Complete **Schedule A – Product Distribution** for all ABV categories (in dollars and litres) and then the **Tax Due Calculation**. When using ONT-TAXS online, information entered is used to automatically calculate and populate the **Tax Due Calculation**.

### How to report in dollars

In fields marked (\$), report dollar amounts for distributions by ABV category using the applicable price:

- For Taxable Distributions, report the total “**retail price**” of all products distributed.
- For the Non-Taxable Distribution (other than by sale) field, report the total “**retail price**” for all products distributed.
- For all other Non-Taxable Distribution fields, report the total “**basic price**” of all products distributed.

Refer to the spirits tax-related terms and definitions section for assistance with calculating the “retail price” or the “basic price” of the products to be set out in this schedule.

### Report the distribution according to ABV category

Report total distributions according to the alcohol by volume (ABV) categories:

- Greater than 18% ABV
- Greater than 7.1% but not more than 18% ABV
- 7.1% ABV or less

### Dollar amounts should correlate with litres

Report taxable and non-taxable distributions by ABV category in both dollars and litres. Dollar amounts must correspond to the reported litres within each category. For example, for the *Greater than 18% ABV* category, report total Taxable Distribution (by sale) in both dollars and litres.

## Product Distribution (in dollars)

### Taxable Distribution

#### Taxable Distribution (by sale)

Total “**retail price**” (in dollars) of product distributed by reason of sale, during the reporting period.

This includes distributions to other nations’ embassies and consulates in Ontario (unless the distributions have been sold through the Liquor Control Board of Ontario (LBCO)).

Refer to the spirits basic tax-related terms and definitions section of this guide for “retail price”.

#### Taxable Distribution (other than by sale)

Total “**retail price**” (in dollars) of product that was used or distributed by you without charge, during the reporting period.

Refer to the spirits basic tax-related terms and definitions section “Taxable Distribution (other than by sale)” and “retail price”.

### Non-Taxable Distribution

#### Direct Delivery Sales to Licensees

Total “**basic price**” (in dollars) of product distributed, during the reporting period under the LCBO’s **direct delivery program** to establishments (i.e. bars and restaurants) that are licensed to sell alcoholic beverages by the Alcohol and Gaming Commission of Ontario.

#### Duty-Free Sales in Ontario

Total “**basic price**” (in dollars) of product distributed, during the reporting period to duty-free stores in Ontario (where the store is located in a transportation hub and where the purchaser must leave Ontario directly as part of their travel segment at the transportation hub).

#### Other LCBO Sales

Total “**basic price**” (in dollars), of product distributed, that you sold directly to the LCBO or distributed on behalf of the LCBO during the reporting period, that were not otherwise included in another field. This includes:

- Amounts sold to the LCBO.
- Amounts distributed pursuant to a purchase order from the LCBO to authorized recipients, such as grocery and convenience stores authorized from the Alcohol Gaming Commission of Ontario to sell spirits in that store.

- Amounts sold under any liquor sales license issued to you by the Alcohol and Gaming Commission of Ontario (e.g., “**Tied House**” liquor sales licence and “**By the Glass**” manufacturer’s limited liquor sales licence).

## Exports

Total “**basic price**” (in dollars), of product sold and delivered outside of Ontario during the reporting period.

This includes distributions to other nations’ embassies and consulates **outside of Ontario**.

This also includes purchases by the Government of Canada where the spirits product will be warehoused in Ontario and afterwards will be exported for use by Canadian diplomatic or consular offices abroad.

Distributions **in Ontario** to the federal government (other than in the circumstances described in the paragraph above), and to other nations’ embassies and consulates, that are not distributions on behalf of the LCBO, are taxable distributions.

## Non-Taxable Distribution (other than by sale)

Total “**retail price**” (in dollars), of product you distributed without charge in Ontario, during the reporting period for which you are claiming the **promotional distribution exemption**.

Refer to the spirits basic tax-related terms and definitions section “Non-Taxable distribution (other than by sale)” for more information.

**Note:** As for all entries on the return and schedule, keep records supporting the exemption claimed.

## Product Distribution (in litres)

### Taxable Distribution

#### Taxable Distribution (by sale)

Total volume (in litres), of product distributed by reason of sale during the reporting period.

This includes distributions to other nations’ embassies and consulates in Ontario (unless the distributions have been sold through LCBO).

#### Taxable Distribution (other than by sale)

Total volume (in litres), of product distributed, **other than** by reason of sale during the reporting period.

Refer to the spirits tax-related terms and definitions section of this guide for “Taxable Distribution (other than by sale)”.

## Non-Taxable Distribution

### Direct Delivery Sales to Licensees

Total volume (in litres), of product distributed during the reporting period under the LCBO’s **direct delivery program** to establishments (i.e., bars and restaurants) that are licensed to sell alcoholic beverages by the Alcohol and Gaming Commission of Ontario.

### Duty-free Sales in Ontario

Total volume (in litres), of product distributed during the reporting period to duty-free stores in Ontario (where the store is located in a transportation hub and where the purchaser must leave Ontario directly as part of his or her travel segment at the transportation hub).

### Other LCBO Sales

Total volume (in litres), of product distributed during the reporting period that is considered to be sold to the LCBO not otherwise included in another field, including:

- Amounts sold to the LCBO.
- Amounts distributed pursuant to a purchase order from the LCBO to recipients such as grocery stores and convenience stores that have an authorization from the Alcohol Gaming Commission of Ontario to sell spirits products in that store.
- Amounts sold under any liquor sales licence issued to you by the Alcohol and Gaming Commission of Ontario (e.g., “**Tied House**” liquor sales licence and “**By the Glass**” manufacturer’s limited liquor sales licence).

### Exports

Total volume (in litres), sold and delivered outside of Ontario during the reporting period.

This includes distributions to other nations’ embassies and consulates **outside of Ontario**.

This also includes purchases by the Government of Canada where the spirits product will be warehoused in Ontario and afterwards will be exported for use by Canadian diplomatic or consular offices abroad.

Distributions **in Ontario** to the federal government (other than in the circumstances described in the paragraph above) and to other nations’ embassies and consulates, that are not distributions on behalf of the LCBO, are taxable distributions.

## Non-Taxable Distribution (other than by sale)

Total volume (in litres), of product you distributed without charge in Ontario during the reporting period for which you are claiming the **promotional distribution exemption**.

**Note:** As for all entries on the return and schedule, keep records supporting the exemption claimed.

## Instructions for Reviewing Tax Due Calculation and Submitting a Return

The **Tax Due Calculation** fields are automatically populated for review based on the information entered on the previous screens.

Enter any adjustments to the tax payable in the **Adjustments** field. This may include product returns processed after the sale was reported in a previous return. **Enter the adjustment amount as a negative value to reduce the amount of tax payable or to claim a credit.**

If changes are required, you may return to the relevant section to update the information.

On the **Review** screen, the following fields are automatically populated:

- **Adjustments:** The total of adjustments (debit or credit) for the reporting period.
  - **Total Tax Payable:** The total amount of wine tax payable for the reporting period.
- **Tax Due (Credit):** The total wine tax amount owing or credit payable after adjustments for the reporting period.

Before submitting the return, the authorized signing officer confirms that the information provided in the return is, to the best of their knowledge, true, correct and complete.

Please retain this guide for future reference. If you require additional copies, please refer to our website [ontario.ca/finance](https://www.ontario.ca/finance) or contact us at 1-866-ONT-TAXS (1-866-668-8297).

Cette publication est disponible en français sous le titre « Guide relatif à la Déclaration sur la spiritueux ». Vous pouvez obtenir un exemplaire en appelant le 1-866-ONT-TAXS (1-866-668-8297) ou en visitant [ontario.ca/finances](https://www.ontario.ca/finances).