

# Canadian Budget 2024: Cannabis Excise Tax Reform Absent

## Disappointment in the Budget

Canada's legal cannabis industry did not receive any excise-tax relief from the Liberal government's 2024 budget, disappointing many stakeholders in the sector.

## Uncertain Hopes

Despite recommendations proposing reform or review of the cannabis excise-tax structure, hopes for tax relief in this year's budget were uncertain.

## Budget Release

The budget, released late Tuesday afternoon, dashed any remaining hopes for a tax cut, leaving the cannabis industry to contend with existing tax structures.

## Limited Mention of Cannabis

The 430-page primary budget document only mentions cannabis once, as part of a plan to introduce legislation allowing Indigenous governments to impose value-added sales taxes on certain goods, including cannabis.

## Industry Disappointment

Canopy Growth Corp. CEO David Klein expressed disappointment in the government's oversight, highlighting a lack of commitment to the legal cannabis industry.

## Impact on Businesses

The failure to address the flawed excise tax regime and other critical issues like potency limits is seen as hindering the growth of legal cannabis businesses and compromising consumer access to safe, regulated products.

## Top Issue in Cannabis Sector

Canada's cannabis excise-tax structure remains a significant concern for licensed producers, impacting product pricing and consumer affordability.

## Tax Structure Details

The excise tax is levied on cannabis products before reaching consumers, with different rates for flower, pre-rolls, extracts, and concentrates.

### **Unpaid Taxes**

The issue of unpaid cannabis excise taxes has been mounting, with the government facing challenges in collecting outstanding amounts.

### **Regulatory Fee Increases**

In addition to tax concerns, the Canadian government recently increased regulatory fees for the cannabis industry, adding to the financial burden faced by businesses.

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