
**NS ENVIRONMENT AND LABOUR
2006-07 Budget Highlights**

Elimination of the Liquor License Levy

What is the objective of this initiative?

The Nova Scotia Liquor Regulations require a levy of 3.5% be added to the gross purchase price of liquor products purchased by liquor licensed operators. By eliminating the levy, the Province will help these operators, principally the hospitality industry, to sustain their operations and maintain jobs throughout Nova Scotia.

The levy will be eliminated, effective January 1, 2007.

Why is the initiative important?

The Department initiated a review of Liquor Licensing Regulations in Fall 2005 in response to concerns raised by industry that the current regulations are outdated and cumbersome. In the consultation process, one of the main issues was the levy which industry indicated hampered their ability to offer competitive services.

The Liquor Licensing Regulatory Review is part of the Department's commitment to regulatory improvement through its "Competitiveness and Compliance" initiative.

The elimination of this levy will bring Nova Scotia in line with many other jurisdictions.

Who benefits from the initiative?

The owners of all licensed premises in the province will receive a direct benefit by the elimination of this levy. Approximately \$2.9 million is collected annually by government through this levy so the elimination of the levy will offer direct savings to all license holders, including licensed eating establishments, beverage rooms, lounges, cabarets, legions and private clubs. Individuals and charities obtaining licenses for liquor distribution will also benefit as elimination of the levy will lower their cost for liquor products.

The purpose of the levy was to off-set the cost of regulating the liquor industry in Nova Scotia. The percentage has been lowered in recent years from a high of 9.3% to the current rate of 3.5%.

What is the anticipated funding required?

The reduced revenue associated with elimination of the levy will be approximately \$2.9 million annually.

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