

Press release for
immediate release



THE AQIC CALLS FOR URGENT EXCISE TAX REFORM AND SUPPORTS DELOITTE'S STUDY CONCLUSIONS

Quebec, May 21 2025 – The Quebec Cannabis and Hemp Industry Association (AQIC) proudly joins the Canadian Cannabis Council (C3) in calling for a comprehensive reform of the cannabis excise tax system. The recent study, *The Impact of the Cannabis Excise Tax*—conducted by Deloitte and commissioned by our two organizations—reinforces what we have long asserted: the current taxation framework is unsustainable and disconnected from the economic realities facing our industry.

A tax burden that has become disproportionate

Originally designed in 2018 for a market where cannabis sold for \$10/g, the current excise tax remains equal to 10% of product value or \$1 per gram, whichever is greater. However, growers now receive as little as \$3/g, raising the effective tax to over 30% - far beyond what was anticipated at the time of legalization. As a result, today's excise tax represents the biggest financial burden for cannabis businesses.

As a result, this tax burden is driving a large number of growers out of business, jeopardizing hundreds of jobs here in Quebec and tens of thousands nationwide. Worse still, this situation slows the development of the legal industry and encourages the resurgence of the illicit market, thus compromising the initial objectives of legalization: a safe, controlled and responsible market.

An essential industry for the Canadian economy

" Taking into account only the direct impacts, cannabis generated \$7.4 billion for Canadian GDP in 2024, and \$43 billion since its legalization, while supporting more than 80,000 direct jobs. This still young industry has positioned Canada as a world leader in cannabis regulation - a remarkable public policy achievement, despite the many obstacles encountered," says Pierre Leclerc, President and CEO of the AQIC.

The time to act is now

AQIC is calling on the federal government to update the current tax regime by adopting a uniform 10% ad valorem tax, a national excise stamp and tax collection at the wholesale level, as recommended by the Expert Panel on the Cannabis Act and the House of Commons Standing Committee on Finance in 2024.

"It's high time these recommendations were implemented. This tax reform is essential to enable our industry to fully achieve the public health, safety and economic development objectives of legalization," explains Pierre Leclerc.

To read Pierre Leclerc's open letter to the Right Honourable Mark Carney: [open letter](#)

To read the study, *The Impact of the Cannabis Excise Tax*: [study](#)

About the AQIC

With over 100 member companies, the Association québécoise de l'industrie du chanvre et du cannabis is the industry's voice with governments and stakeholders. It offers its members several advantages and tools exclusive to Canada, enabling them to develop their business and prosper. All the while respecting the regulatory framework and aiming to achieve the public health and safety objectives targeted by the legalization of cannabis, i.e. reducing the harm associated with consumption by offering quality products subject to rigorous controls and redirecting the purchase of cannabis towards the legal economy. Its mission is also to demystify cannabis and hemp and demonstrate their full potential, whether for recreational, culinary, environmental or industrial uses, for example.

For more information, visit aqic.ca.

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