



To : All Slush Puppie franchisees, distributors and salespeople
From : Véronique Tremblay
Object : Tax Holiday
Date : December 10th, 2024

Hello everyone,

The Trudeau Government has announced a temporary tax holiday for the period commencing December 14th, 2024, and ending February 15th, 2025.

After reading federal government publications on the subject and after consulting with the accounting firm of Raymond Chabot Grant Thornton, here is Slush Puppie Canada's position on the tax holiday:

We will remove the tax from the cases of Mini Puppie cotton candy, the nachos and the JRs popped popcorn. These items are clearly defined in the list of admissible products.

Be very mindful of the end-date of February 15th, because to be eligible for the tax holiday, the products must be delivered and paid for by midnight on the 15th.

As for Slush, it is a « grey area », since we are selling concentrates, so to be prudent we will keep these processed products taxable.

Also note that to not charge tax on products that should be taxed can bring important penalties and interests from government entities, whereas to tax a product - by being prudent - which should not be taxed, doesn't attract penalties in the same way.

Therefore, since we are all dealing exclusively on a B2B basis, (business to business) and that we have the right to claim 100% of the tax paid, there is no financial impact for us.

Lastly, be aware that this subject is fast evolving, even daily, and that new updates and clarifications could change our position over the coming days.

Véronique Tremblay

Véronique Tremblay

Vice-présidente finances