

Carbon Tax Refunds for Purchasers

Carbon Tax Act

Do you purchase fuel within British Columbia for your own use?

Are you aware of the different types of carbon tax refunds that may be available to you?

This bulletin provides information to help purchasers understand the circumstances where they may be eligible for a refund of carbon tax paid and how to claim a refund.

This bulletin does not apply to businesses purchasing fuel as a registered consumer, registered air service or registered marine service. This bulletin also does not apply to deputy collectors or retail dealers.

For information on refunds for registered air or marine services, registered consumers and fuel sellers, please see the following publications:

- [Notice 2008-018](#), *Registered Air Service and Registered Marine Service - Carbon Tax*
- [Notice 2008-019](#), *Registered Consumer - Carbon Tax*
- [Bulletin MFT-CT 007](#), *Refunds for Deputy Collectors and Retail Dealers*

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Overview

You are a **purchaser** if you buy, or receive delivery of, fuel in British Columbia for your own use. Purchasers are required to pay carbon tax, unless an exemption exists under the legislation as outlined in this bulletin.

You may apply for a refund of carbon tax if you:

- pay carbon tax in error, i.e. an exemption exists and there is no legal obligation for you to pay the carbon tax,
- overpay carbon tax, e.g. you pay more carbon tax than you should because of an error in calculation,
- correctly pay carbon tax at the time of purchase, but you use the fuel for a specific purpose described in the legislation that qualifies for a refund, e.g. fuel used as feedstock to manufacture another substance.

Qualifying Refunds

Export and Use Outside British Columbia

You may purchase fuel in British Columbia exempt of carbon tax if:

- at the time you purchase the fuel, you have a contract with a common carrier to deliver the fuel to a destination outside of British Columbia for your own use outside the province, or
- the seller exports the fuel for your own use outside the province.

If a fuel seller charges you carbon tax on this type of purchase, you may apply for a refund.

Status Indians and Indian Bands

Under the *Indian Act* (Canada), sales to status Indians and Indian bands on reserve are exempt of tax. If you are a status Indian or an Indian band, and a fuel seller charges carbon tax on your purchase of fuel on reserve land, you may apply for a refund.

For more information on who is eligible for this exemption, please see [Bulletin MFT-CT 002](#), *Sales to Status Indians and Indian Bands, and the Exempt Fuel Retailer Program*.

Visiting Forces or Members of the Diplomatic and Consular Corps

Visiting forces are able to purchase fuel exempt of carbon tax if they use the fuel in connection with their official duties. Members of the diplomatic and consular corps are able to purchase fuel exempt of carbon tax. If you are a visiting force, or a member of

the diplomatic or consular corps, and a fuel seller charges you carbon tax at the time of purchase, you may apply for a refund.

For more information on exemptions for members of the diplomatic and consular corps, please see [Bulletin CTB 007](#), *Exemption for Members of the Diplomatic and Consular Corps*.

Cruise Ships

Purchasers are able to purchase fuel exempt of carbon tax if the fuel is used in the operation of an inter-jurisdictional cruise ship that has a scheduled port of call outside of British Columbia. If you purchase fuel for an inter-jurisdictional cruise ship that has a scheduled port of call outside of British Columbia, and a fuel seller charges you carbon tax at the time of purchase, you may apply for a refund.

Ships Prohibited from Coasting Trade

Purchasers are able to purchase fuel exempt of carbon tax if the fuel is used in the operation of a ship that is prohibited from coasting trade. If you purchase fuel for a ship prohibited from coasting trade, and a fuel seller charges you carbon tax at the time of purchase, you may apply for a refund.

Non-Registered Air Services

If you are not a registered consumer or a registered air service, you may apply for a refund of carbon tax you pay on fuel used to operate a commercial air service that:

- provides interprovincial or international air transportation of passengers or goods, or both, to members of the public for a fee, or
- provides interprovincial or international air services other than the transportation of passengers or goods, or both, (e.g. aerial surveying or spraying) to members of the public for a fee, and
- holds a licence issued by the Canadian Transportation Agency and, if required by Transport Canada, an operating certificate issued by Transport Canada for each type of aircraft owned or operated by you.

For more information on non-registered air services, please see [Notice 2008-028](#), *Non-Registered Air or Marine - Carbon Tax*.

Non-Registered Marine Services

If you are not a registered marine service, you may apply for a refund of carbon tax you pay on fuel used in a ship on a trip, or a portion of a trip, that:

- transports passengers or goods, or both, to members of the public for a fee, and **does not** connect a port in British Columbia where passengers embark or goods are loaded, with a port in British Columbia where passengers disembark or goods are unloaded, or

- provides marine services to members of the public for a fee and begins, or ends, at a port in British Columbia, **as long as** that trip begins, or ends, at a port outside of Canada and that inter-jurisdictional trip is integral to the provision of the marine service.

For more information on non-registered marine services, please see [Notice 2008-028](#), *Non-Registered Air or Marine - Carbon Tax*.

Feedstock

If you use fuel as a feedstock, you may qualify as a registered consumer and be able to purchase the type of fuel on your registered consumer certificate exempt of tax. If you are not a registered consumer, you may apply for a refund of carbon tax you pay on fuel that is not combusted and that you use as a raw material in an industrial process to produce or upgrade another fuel, or to manufacture another substance.

Non-Energy Use

If you use fuel for specific non-energy purposes, you may qualify as a registered consumer and be able to purchase the type of fuel on your registered consumer certificate exempt of tax. If you are not a registered consumer, you may apply for a refund of carbon tax you pay on fuel that is not combusted when used in the following specific circumstances:

- as a raw material to manufacture anodes used in an electrolytic process for smelting aluminum,
- as a reagent to separate out coal or ores of metal in an industrial floatation process,
- in pipeline pigging,
- as antifreeze in a natural gas pipeline (effective September 2, 2009),
- in down-hole operations at a well site,
- to remove natural gas liquids or impurities in the processing of natural gas, or
- as a refrigerant in a closed system in the processing of natural gas.

Reductant in the Production of Lead or Zinc

If you use coke, high heat coal, low heat coal, petroleum coke or a combination of them in a combustion process as a reductant in the production of lead or zinc, you may apply for a refund of carbon tax. The maximum amount of fuel that is eligible for a refund as a reductant is set out in a table in the regulations to the *Carbon Tax Act*. The amount varies depending on the type of fuel combusted as a reductant and the type of metal (i.e. lead or zinc) produced.

General Information and Requirements for Refund Claims

The following general information and requirements apply to refund claims.

- The refund application form provides instructions on how to complete the form and the specific supporting documentation you must submit with the application. Please read the Explanation of Document Numbers section of the form carefully, as the supporting documents may vary depending on the reason for the refund. Your claim will not be processed if you do not provide the required documents.
- The person who pays the tax must sign the refund application. If the person who pays the tax is a corporation, a director or authorized employee of the corporation must sign the refund application.
- If your claim is prepared by a third party and you want the ministry to deal with that third party for any questions about your application, you must indicate this on Part A of your application.
- You must apply separately for a refund of motor fuel tax you pay on the same fuel if you are also eligible for a refund under the *Motor Fuel Tax Act*. For more information, please see [Bulletin MFT 002](#), *Motor Fuel Tax Refunds for Purchasers*.
- There are different refund application forms for the different carbon tax rate periods, e.g. July 1, 2010 to June 30, 2011. Please use the refund application form that matches the period in which you paid the tax.
- You are required to keep all your records and documents in British Columbia for **five** years.
- You can find the refund application forms on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm

How to Apply for a Refund

You apply for a refund using the *Application for Refund of Carbon Tax - Purchaser of Fuel* form ([FIN 108](#)) for the period in which you paid the tax.

If you use fuel in inter-jurisdictional air or marine travel or transport, or inter-jurisdictional air or marine services, and you are not a registered air service or registered marine service, you use the *Refund Application/Return - Carbon Tax - Non-Registered Air or Marine* form ([FIN 171](#)) for the period in which you paid the tax.

Send your refund application and supporting documentation to:

Ministry of Finance
Refund Section
PO Box 9628 Stn Prov Gov
Victoria BC V8W 9N6

Time Limit and Minimum Amount for Claiming a Refund

Your refund claim must be received by the ministry within four years of the date that you pay the tax. For example, if you paid the tax on August 12, 2008, the ministry must receive your refund claim by August 11, 2012.

The ministry cannot issue a refund of less than \$10.

Need more info?

Motor Fuel and Carbon Tax website: www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Carbon Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm