

Notice to Clear and Coloured Fuel Sellers

Motor Fuel Tax Act

This notice provides important information to sellers of clear and coloured fuel and outlines changes to legislation announced in the 2008 Provincial Budget.

Tax Rate Increase on Clear Gasoline and Clear Diesel Sold Within the Victoria Regional Transit Service Area

Effective April 1, 2008, the tax collected by the province, on behalf of the Victoria Regional Transit Commission (BC Transit), to help fund the local share of transit services is increased by 1¢ per litre to 3.5¢ per litre. The total tax payable on clear gasoline will be 18¢ per litre, and the total tax payable on clear diesel will be 18.5¢ per litre.

Clear Gasoline and Clear Diesel Fuel Tax Rates as of April 1, 2008

	Gasoline	Diesel
BC Transportation Financing Authority	6.75¢ per litre	6.75¢ per litre
BC Transit	3.50¢ per litre	3.50¢ per litre
Province	7.75¢ per litre	8.25¢ per litre
Total Tax	18.00¢ per litre	18.50¢ per litre

The Victoria Regional Transit Service Area includes all incorporated and unincorporated areas of the Capital Regional District that are part of the Juan de Fuca Electoral Area, excluding the Malahat and Renfrew Land Districts. For a detailed map of the Victoria Regional Transit Service Area, please see BC Transit's website at: www.bctransit.com/regions/vic/schedules/vic_taxation_area.cfm

Please note: The islands within these areas, including Salt Spring Island and the Outer Gulf Islands, are **not included** in the Victoria Regional Transit Service Area.

Coloured Fuel in Farm Vehicles

Effective February 20, 2008, all farmers can use coloured fuel in farm vehicles that have a farm licence plate (also known as an A or G plate) while operating on-highway, by or on behalf of the farmer, for a farm purpose. A family farm truck emblem is no longer required.

If you are authorized to sell coloured fuel, you may sell coloured fuel to farmers for use in vehicles that have an A or G plate issued by the Insurance Corporation of British Columbia (ICBC). You will receive new coloured fuel pump labels within the next four to eight weeks.

The *Coloured Fuel Customer Account Certification* form ([FIN 438](#)), that your customers are required to complete, has been updated and is available on our website.

Tax Rates for Coloured Biodiesel and Ethanol

Effective February 20, 2008, the exemption for biodiesel or ethanol is expanded to include biodiesel or ethanol that is coloured and blended with coloured gas or coloured diesel. In addition, biodiesel or ethanol that is blended with lower taxed clear fuels, such as marine diesel, locomotive fuel, jet fuel or aviation fuel, is also exempt from tax.

As with clear fuel, the exemption for ethanol is limited to blends where the ethanol portion of the blend is between 5% and 25%, or blends of ethanol or methanol greater than 85%. For more information on biodiesel and ethanol fuel, please see [Bulletin SST 085](#), *Alternative Fuel Vehicles and Alternative Motor Fuel Tax Concessions*.

If you are a wholesaler (i.e. a person who sells to another person other than the final purchaser or consumer) of coloured fuel or clear fuels that contain biodiesel or ethanol, your invoices must clearly show the rate of tax applicable to the blended fuel for audit purposes or to obtain a refund.

Further Information

If you have any questions, please call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxation/consumer_taxes.htm