

Notice to Retail Dealers that Sell Coloured Fuel

Motor Fuel Tax Act

Effective July 1, 2015, purchasers of coloured fuel in certain circumstances will be required to pay the clear fuel tax rate on purchases of coloured fuel, and you will be required to collect tax at that rate unless you have obtained from the purchaser (at or before the time of sale), a completed certification form (will be available soon).

New Certification Form

To sell coloured fuel at the coloured fuel tax rate (3 cents per litre), you must obtain the completed certification form from your customers when you sell coloured fuel:

- through a cardlock system (e.g. unmanned location), or
- in an amount greater than 45 litres.

The new certification form must be completed by the purchaser to certify that they will use the coloured fuel only for an authorized purpose. For information on authorized uses of coloured fuel, see [Bulletin MFT-CT 003](#), *Coloured Fuels*.

You are not required to obtain the new certification form on sales of marine diesel, locomotive fuel, coloured fuel purchased by farmers and coloured fuel transferred directly into the supply tank of a ship or boat that is on or in the water. For information on sales of coloured fuel to qualifying farmers, see [Bulletin MFT-CT 003](#), *Coloured Fuels*.

New Customers

You will be required to obtain the new certification form from your customer at or before the first time you sell them coloured fuel. You can keep the completed form on file. This will allow you to make future sales of coloured fuel to your customer without charging the clear fuel tax rate as long as the information on file is current and you are able to link future sales to the customer to that certification form.

We suggest you subscribe to our [What's New](#) page to receive email updates when the new form is available.

Existing Customers

The current *Coloured Fuel Account Certification* form (**FIN 438**) will be replaced by the new certification form. However, if you currently have a **FIN 438** on file for a customer, you may continue to make sales of coloured fuel based on this form as long as the information on the form is current and you are able to link future sales to the customer to that certification form.

Consequences for Not Obtaining the Certification

If you have not obtained a certification form from your customer as described above, you must collect motor fuel tax on the sale of coloured fuel at the clear fuel rate and remit any additional tax collected over and above the security you paid. If you do not collect and remit motor fuel tax at the clear fuel rate, you may be subject to penalties and interest for failure to collect tax.

In addition, if you purchase clear fuel, colour it and sell the coloured fuel at the coloured fuel rate, without obtaining the required certification form from your customer, you may not be eligible for a refund of the difference between the security you paid on the clear fuel and the tax you collected on the coloured fuel.

For information on collecting and remitting motor fuel tax, see [Bulletin MFT-CT 001, Fuel Sellers](#).

Refunds for Purchasers

Purchasers of coloured fuel that pay motor fuel tax at the clear fuel rate, may be eligible for a refund of the difference between the tax they paid and the coloured fuel tax rate if they use the coloured fuel for an authorized use. For information on applying for a refund, see [Bulletin MFT-CT 003, Coloured Fuels](#).

Authorized Uses of Coloured Fuel

Effective July 1, 2015, the authorized uses of coloured fuel are expanded to include use in a locomotive.

Further Information

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

Access our forms, publications, legislation and regulations online at gov.bc.ca/consumertaxes (go to [Motor Fuel Tax and Carbon Tax](#) and then [Forms](#) or [Publications](#)).

Subscribe to our [What's New](#) page to receive email updates when new information is available.

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. The changes in this notice are proposed in Budget 2015. The changes are subject to Bill 10 - *Budget Measures Implementation Act, 2015* receiving royal assent.