

## Notice To Commercial Air Services With International Flights

### *Motor Fuel Tax Act*

#### Overview

This notice explains how the motor fuel tax exemption for jet fuel and related refund provisions announced in Budget 2012 apply to operators of commercial air services with international flights.

Effective April 1, 2012, jet fuel used by commercial air services for international flights is exempt from tax under the *Motor Fuel Tax Act*. This exemption does not apply to commercial flights between two points in British Columbia or flights that connect British Columbia with another point in Canada. A flight means a trip between the takeoff and landing of an aircraft, whether or not the trip is a portion of a longer route.

With these changes, some commercial air services are eligible to receive an exemption at the point of sale. Other commercial air services must pay the motor fuel tax on jet fuel and may then apply for a refund of the motor fuel tax paid on jet fuel used for international flights.

#### Tax Application

You may qualify for a point-of-sale exemption or a refund if you own or operate a commercial air service that provides, to members of the public for a fee,

- international air transportation of passengers, goods or both, or
- international air services other than the transportation of passengers, goods or both.

You must also hold a licence issued by the Canadian Transportation Agency and, if required by Transport Canada, operating certificates issued by Transport Canada for the types of aircraft used on flights between British Columbia and points outside Canada.

### **Point-of-Sale Exemption**

If you meet the criteria outlined above and have **no** flights between two points in British Columbia or that connect British Columbia with another point in Canada, you may apply to be designated as a registered consumer of jet fuel. Effective April 1, 2012, registered consumers of jet fuel are entitled to receive a point-of-sale exemption from motor fuel tax on jet fuel. To apply for a registered consumer certificate as an international air service, complete an *Application for Registration as a Registered Consumer under the Motor Fuel Tax Act* form ([FIN 165](#)).

**Please note:** A registered consumer certificate issued under the *Carbon Tax Act* does not apply to motor fuel tax.

### **Refunds**

If you are not eligible to be designated as a registered consumer of jet fuel because you have flights between two points in British Columbia or that connect British Columbia with another point in Canada, you must pay motor fuel tax on all your jet fuel purchases, but you may then apply for refunds of the motor fuel tax paid on fuel used for international flights. To apply for a refund of motor fuel tax paid on jet fuel used for an international flight, complete an *Application for Refund of Motor Fuel Tax – Purchaser of Fuel* form ([FIN 147](#)).

### **Transition**

Motor fuel tax must be paid on jet fuel purchased before April 1, 2012. If you pay motor fuel tax on jet fuel purchased before April 1, 2012 but use the fuel on or after April 1, 2012 for an international flight, you may apply for a refund of the motor fuel tax paid on the jet fuel used for that flight. To apply for a refund, complete an *Application for Refund of Motor Fuel Tax – Purchaser of Fuel* form ([FIN 147](#)).

The existing refund provision for jet fuel used for international cargo flights and the partial refund for jet fuel used for international mixed cargo and passenger flights continue to be available for jet fuel used for an international cargo flight or international mixed cargo and passenger flight before April 1, 2012.

### **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](mailto:CTBTaxQuestions@gov.bc.ca)

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. The *Motor Fuel Tax Act* and Regulations are on our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/MotorFuelTax\\_CarbonTax/mft\\_ct.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm)