

## Notice to Collectors, Deputy Collectors and Retail Dealers – Fuel Tax Changes and Inventory Requirements

*Motor Fuel Tax Act*

### Overview

This notice applies to all fuel sellers selling fuel within the South Coast British Columbia transportation service region (SCTA). Effective April 1, 2012, the South Coast British Columbia Transportation Authority (TransLink) is increasing its tax rate from 15¢ to 17¢ per litre on clear gasoline and clear diesel fuel sold within the SCTA. As a result, the total provincial motor fuel tax rate will increase to 25.5¢ per litre for clear gasoline and 26¢ per litre for clear diesel sold within this region.

This notice explains the responsibilities of deputy collectors and retail dealers who both purchase and sell fuel within the SCTA to calculate and remit the additional security due on their inventory under the *Motor Fuel Tax Act* as a result of this rate change. You are a deputy collector or retail dealer if you have purchased fuel for resale on which you have paid or will be paying security (an amount equal to the tax that would have been collected if the fuel was sold to an end purchaser) to your supplier as required under the *Motor Fuel Tax Act*.

This notice also outlines the responsibilities of collectors, deputy collectors and retail dealers who sell fuel for the first time after its manufacture in, or its importation into, the SCTA and file the *South Coast British Columbia Transportation Tax Return* form (FIN 427).

The SCTA includes north to and including Lion's Bay; west to and including Bowen Island; south to the international border; and east to and including the municipalities of Langley, Maple Ridge and Pitt Meadows. For a detailed map of this service region, please see TransLink's website at [www.translink.ca/en/Driving/Roads-and-Bridges.aspx](http://www.translink.ca/en/Driving/Roads-and-Bridges.aspx) and, under the heading Related Documents on the right side, click on Major Road Network Map.

## Reporting Fuel Inventory on April 1, 2012

If you are a deputy collector or retail dealer, you are required to determine the amount of clear gasoline (including ethanol) and clear diesel (including renewable diesel fuel) resale inventory that you own immediately after midnight on March 31, 2012, and report it as inventory and remit the additional security due on that inventory. For simplicity, the rest of this notice refers to “clear gasoline including ethanol and clear diesel including renewable diesel fuel” as fuel. The inventory reported must include all fuel for resale that you own or are deemed to own.

You are deemed to own fuel immediately after midnight on March 31, 2012, if:

- you have entered into an agreement to buy fuel and the agreement provides that you own the fuel immediately after midnight on March 31, 2012,
- you have not received delivery of the fuel at that time, and
- you have not entered into an agreement with another person that provides that the other person owns the fuel at that time.

### Paying security

You are required to remit as security an amount equal to 2¢ multiplied by the volume of fuel inventory, in litres, on hand immediately after midnight on March 31, 2012.

### Filing the motor fuel tax inventory return

You use the *April 1, 2012 South Coast British Columbia Transportation - Inventory Tax Return* form (**FIN 154 - April 1, 2012**) to report your inventory and calculate the amount of additional security due. If you own or are deemed to have owned inventory immediately after midnight on March 31, 2012, you **must** file a tax return. The tax return form and payment are due on **April 16, 2012**. The form is available 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)

### South Coast British Columbia Transportation Authority (TransLink) tax returns

If you sell fuel for the first time within the SCTA, beginning with your April 2012 collector tax return, you will need to use the revised *South Coast British Columbia Transportation Tax Return* form (FIN 427) to report and remit this tax. This revised form with the new tax rates, which is due May 15th, will be available online after April 16, 2012, 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)

## **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)

You can also find information 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)

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)