

Notice to Deputy Collectors and Retail Dealers

Fuel Inventory

Carbon Tax Act

Overview

Effective July 1, 2009, the carbon tax rates that apply to the purchase or use of fuels in British Columbia will increase. These new rates will be in effect until June 30, 2010. For a complete list of the fuels subject to carbon tax and their tax rates, please see the schedule, [Carbon Tax Rates by Fuel Type](#).

This notice explains your responsibilities as deputy collectors and retail dealers for calculating and remitting the additional security due on your fuel inventory under the *Carbon Tax Act*.

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, to your supplier as required under the *Carbon Tax Act*. For more information on whether or not you are a deputy collector or retail dealer, please refer to the [Notice to Fuel Sellers – Carbon Tax](#).

This notice does not apply to propane and natural gas sellers.

Reporting Fuel Inventory on July 1, 2009

If you are a deputy collector or retail dealer, you are required to determine the amount of fuel that you own immediately after midnight on June 30, 2009 and report it as inventory and pay the additional security due on that inventory (see below). You must include all fuel that you own as inventory for resale, or are deemed to own, at that time. You are deemed to own fuel immediately after midnight on June 30, 2009 if:

- you have entered into an agreement to buy fuel and the agreement provides that you own the fuel immediately after midnight on June 30, 2009,
- 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.

Please note: Do not include any exempt fuels, such as pure ethanol or biodiesel, or the portion of an exempt fuel contained within a fuel blend, when calculating your fuel inventory. For example, enter 9,000 litres if you own 10,000 litres of B10, which consists of 1,000 litres of pure biodiesel (exempt) and 9,000 litres of taxable diesel.

Paying security

You are required to remit as security an amount equal to the difference between carbon tax rates in effect prior to July 1, 2009 and the carbon tax rates in effect July 1, 2009 multiplied by the volume of inventory on hand immediately after midnight on June 30, 2009.

Allowance for reporting inventory

You are entitled to an allowance of \$250 for calculating and reporting your fuel inventory, provided you have the capacity to store at least 1,000 litres of fuel. You deduct this allowance from the additional security you owe and remit the remaining amount of security to the ministry.

If the amount of additional security you owe is less than \$250, you are entitled to a refund from the ministry of the difference between the amount owing and the \$250 allowance, if the amount of the refund is \$10 or more.

Additional requirements for retail dealers

If you are a retail dealer and you have entered into an agreement to sell fuel to an end purchaser before July 1, 2009 and the purchaser has not received delivery of the fuel before July 1, 2009, then you are deemed to own the fuel on July 1, 2009. You must report it as inventory and pay additional security on the inventory.

Filing the carbon tax return

You use the *Carbon Tax Return - Inventory* form ([FIN 103-July 1, 2009](#)) to calculate and report your inventory and the amount of additional security due. If you own, or are deemed to have owned, inventory at July 1, 2009, you must file a tax return. The tax return form and payment are due on **August 15, 2009**. The form is available at www.sbr.gov.bc.ca/business/Consumer_Taxes/Carbon_Tax/carbon_tax.htm

Annual fuel inventory

The carbon tax rates will increase on July 1st of each year up to, and including, the year 2012. Each year, you will be required to report and remit any additional security due to the ministry on fuel inventory you own, or are deemed to own, on which you have paid, or will be paying, security to your supplier.

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 find more information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Carbon_Tax/carbon_tax.htm