



Excise Taxes and Special Levies Notice

ETSL-070

January 2009

Notice to all Producers of Renewable Fuels

The purpose of this notice is to ensure that producers of bio-diesel fuel are aware that they are generally required to apply for an excise tax licence, file returns and remit excise tax.

Background

On March 19, 2007, the Minister of Finance tabled a Notice of Ways and Means Motion to amend the *Excise Tax Act* (the Act). The motion included changes to the non-GST/HST portions of the Act with respect to renewable fuels, including bio-diesel and alcohol-based fuels. These changes were incorporated into Bill C-52, the *Budget Implementation Act, 2007*, which received Royal Assent on June 22, 2007, and are now law. As a result, the excise tax exemption for renewable fuels was eliminated effective April 1, 2008.

Licensing

Paragraph 23.5(2) of the Act, which provided for an excise tax exemption for bio-diesel fuel, was repealed, effective April 1, 2008. Consequently, persons who produce bio-diesel fuel, and whose sales volume exceeds \$50,000 per calendar year, are now required to obtain an excise tax manufacturer's "E" licence, file monthly returns and remit excise tax on any sales of bio-diesel fuel. The current rate of excise tax on bio-diesel fuel is 4 cents per litre.

Persons whose annual sales of bio-diesel fuel are less than \$50,000 qualify as small manufacturers and may also apply for a licence, but are not required to do so. Further information on licensing can be found in Excise Taxes and Special Levies Memorandum X2.1, *Licences*.

Persons applying for an "E" licence must complete Form L15, *Application for Licence under the Provisions of the Excise Tax Act*, and submit it to the Quebec regional office in Montreal at the address noted below. Form L15 can be found at www.cra-arc.gc.ca/E/pbg/ef/l15/l15-05b.pdf.

Excise Duties and Taxes Section
305 René-Lévesque Blvd. West, 7th floor
Montréal, QC H2Z 1A6
Fax: 514-283-6154

If you have any questions concerning this notice or any other excise tax issue, please call 1-888-609-0073, or you may call collect by dialling 514-283-7285.

All technical publications related to excise taxes and special levies are available on the CRA Web site at www.cra.gc.ca/etsl.

La version française de la présente publication est intitulée *Information à l'intention des producteurs de carburants renouvelables*.



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