

Ministry of Finance

Tax Bulletin



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Motor Fuel Tax Refunds for Purchasers

Motor Fuel Tax Act

Do you purchase fuel within British Columbia for your own use?

Are you aware of the different types of motor fuel tax refunds that may be available to you?

This bulletin provides information to help purchasers understand the circumstances where they may be eligible for a refund of motor fuel tax paid and how to claim a refund.

For information on refunds for Deputy Collectors and Retail Dealers, please see [Bulletin MFT-CT 007](#), *Refunds for Deputy Collectors and Retail Dealers*.

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Overview

You are a **purchaser** if you buy, or receive delivery of, fuel in British Columbia for your own use. Purchasers are required to pay motor fuel tax, unless an exemption exists under the legislation as outlined in this bulletin.

You may apply for a refund of motor fuel tax if you:

- pay motor fuel tax in error, i.e. there is no legal obligation for you to pay the motor fuel tax,
- overpay motor fuel tax, e.g. you pay more motor fuel tax than you should because of an error in calculation,
- correctly pay motor fuel tax at the time of purchase, but you are a person who qualifies for a refund (see below), or
- correctly pay motor fuel tax at the time of purchase, but you use the fuel for a specific purpose described in the legislation that qualifies for a refund, or partial refund (see below).

Refunds for Individuals

Persons with Disabilities

If you are a person with a qualifying disability, you may apply for a refund of motor fuel tax you pay on clear fuel that you purchase in British Columbia for your vehicle. The refund is the amount of motor fuel tax you pay, to a maximum of \$500 per calendar year.

You must meet the qualifications and first **register** with the ministry before claiming a refund. To obtain a refund you must submit original fuel receipts showing the date of purchase, type of fuel and number of litres purchased, and the name and address of the fuel seller. For more information, and to see if you qualify, please see [Bulletin MFT 004](#), *Fuel Tax Refund Program for Persons with Disabilities*.

Private Passenger Diesel Vehicles

If you purchase diesel in British Columbia for use in your private passenger vehicle, you may apply for a refund of 0.5¢ per litre (the difference between the diesel tax rate and the gasoline tax rate). This puts non-commercial users of diesel fuel on an equal footing with users of gasoline.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* form ([FIN 147](#)).

Refunds for Businesses or Commercial Purposes

Logging and Mining Industries

You may apply for a refund of the difference between the clear and coloured fuel tax rates on clear fuel that you use in the following vehicles while operating off-highway:

- trucks when used to haul logs or lumber, or to transport minerals,
- crew crummies or buses when used to transport company employees, contractors or agents of the company, or employees of the contractors and agents,
- fire trucks when used as fire trucks, and
- ambulances when used as ambulances.

To apply for a refund, complete the *Off-Highway Refund Application* form ([FIN 141](#)).

For information on how motor fuel tax applies to the logging and mining industries, please see [Bulletin MFT 010](#), *Fuel Used by the Logging and Mining Industries*.

Oil and Gas Industry

You may apply for a refund of the difference between the clear and coloured fuel tax rates on clear fuel that you use in a commercial motor vehicle, other than a pick-up truck, while operating off-highway to transport the following equipment and supplies, for persons actively engaged in oil and gas exploration or drilling:

- drilling rigs,
- drilling equipment,
- drilling supplies,
- fuel and water,
- well servicing equipment and supplies,
- geophysical equipment and supplies, and
- seismic equipment and supplies.

To apply for a refund, complete the *Off-Highway Refund Application* form ([FIN 141](#)).

For information on how motor fuel tax applies to the oil and gas industry, please see [Bulletin MFT 007](#), *Fuel Used by the Oil and Gas Industry*.

International Cargo Flights

You may apply for a refund of motor fuel tax you pay on jet fuel that you purchase in British Columbia and use for an aircraft that carries only paid cargo on international flights. If the flight transports passengers as well as cargo, the refund is based on the ratio of paid cargo weight to the total payload of the aircraft.

To apply for a refund, send a letter requesting a refund along with supporting documents to the ministry.

For more information, including the supporting documentation you need to submit with your refund request, please see [Bulletin MFT 009](#), *International Air Cargo – Fuel Tax Refund*.

Motive Fuel User Permit (MFUP) for IFTA Commercial Vehicles

You may apply for a refund if the amount of the deposit you pay for a MFUP, plus the amount of motor fuel tax you pay for fuel that you use in the vehicle during the permit period, exceeds the motor fuel tax due on the fuel that you use in British Columbia during the permit period.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* form ([FIN 147](#)).

For more information about MFUPs and IFTA commercial vehicles, please see [Bulletin MFT-CT 008](#), *International Fuel Tax Agreement and Motive Fuel User Permits*.

Farmers

If you are a farmer, you may apply for a refund of motor fuel tax if you purchase coloured fuel in British Columbia for use in the operation of a farm and do not receive a point-of-sale exemption.

You may also apply for a refund of tax you pay on clear fuel purchased in British Columbia that you use in a farm truck while the truck is used internationally for a farm purpose.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* form ([FIN 147](#)).

For more information about the authorized uses of coloured fuel, please see [Bulletin MFT-CT 003](#), *Coloured Fuel*.

Stationary Engines

You may apply for a refund of the difference between the clear and coloured fuel tax rates on clear fuel that you use in a motor vehicle, while the vehicle is stationary, and the engine operates equipment for the purpose of any of the following:

- rotating the drum of a ready-mixed concrete truck or pumping ready-mixed concrete,
- pumping or dispensing liquids or other materials, such as water, milk, flour, syrups, fertilizers and fuel, to or from a commercial motor vehicle (this does not include the use of a hydraulic arm, unless it is on a logging truck, or a hydraulic cylinder),
- operating a drilling unit that is operated by a power take-off unit,
- operating a mobile crane,
- operating a hydraulic arm mounted on a logging truck, or
- operating temperature-control equipment to preserve goods in an insulated cargo box on a commercial motor vehicle. The vehicle engine must be used to operate the temperature-control equipment for a significant period, such as when parking overnight.

To apply for a refund, complete the *Stationary Engine Refund Application* form ([FIN 159](#)).

Refunds - Other

Status Indians and Indian Bands

Under the *Indian Act* (Canada), sales to status Indians and Indian bands on reserve are exempt of tax. If you are a status Indian or an Indian band and a fuel seller charges motor fuel tax on your purchase of fuel on reserve land, you may apply for a refund of the motor fuel tax you pay on that fuel.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* form ([FIN 147](#)).

For more information on who is eligible for this exemption, please see [Bulletin MFT-CT 002](#), *Sales to Status Indians and Indian Bands, and the Exempt Fuel Retailer Program*.

Nisga'a Government Bodies

If you are a qualifying Nisga'a government body, you may apply for a refund of motor fuel tax if you:

- purchase or use the fuel within British Columbia,

- do not acquire the fuel for consumption or use in the course of a business or other activity for profit or gain, and
- consume or use substantially all of the fuel in respect of performing a function of government within Nisga'a lands, under the Nisga'a Treaty, or a subsequent agreement between Canada and British Columbia, together or separately, and the Nisga'a Nation.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax Pursuant to the Motor Fuel Tax Act and Nisga'a Nation Taxation Agreement* form ([FIN 413 NNMFT](#)).

For more information, please see [Bulletin GEN 013](#), *Provincial Taxes on Nisga'a Lands*.

Tsawwassen First Nation Government Bodies

Effective April 3, 2009, if you are a qualifying Tsawwassen First Nation government body, you may apply for a refund of motor fuel tax if you:

- purchase or use the fuel within British Columbia,
- do not acquire the fuel for consumption or use in the course of a business or other activity for profit or gain, and
- consume or use substantially all of the fuel in respect of performing a function of government within Tsawwassen lands, or Tsawwassen government fisheries management within the Tsawwassen Fishing Area, under the Tsawwassen First Nation Final Agreement, or other agreement between Canada and British Columbia, together or separately, and the Tsawwassen Nation.

To apply for a refund, send a letter requesting a refund along with supporting documents to the ministry.

For more information, please see [Notice 2009-003](#), *Sales to Tsawwassen First Nation Customers*.

Visiting Forces or Members of the Diplomatic and Consular Corps

Visiting forces are able to purchase fuel exempt of motor fuel tax if they use the fuel in connection with their official duties. Members of the diplomatic and consular corps are also able to purchase fuel exempt of motor fuel tax. If you are a visiting force, or a member of the diplomatic or consular corps, and a fuel seller charges motor fuel tax at the time of purchase, you may apply for a refund.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* form ([FIN 147](#)).

General Information and Requirements for Refund Claims

The following general information and requirements apply to refund claims.

- There are different refund application forms for the different motor fuel tax refund types. Each refund application form provides instructions on how to complete the form and the specific supporting documentation you must submit with the application. Please read the Explanation of Document Numbers section of the form carefully, as the supporting documents may vary depending on the reason for the refund. Your claim will not be processed if you do not provide the required documents.
- If you are requesting a refund of motor fuel tax for a reason not covered by an existing motor fuel tax refund application form, i.e. private passenger diesel vehicles, international cargo flights, or Tsawwassen First Nation government bodies, send a letter to the ministry detailing the reason you are requesting a refund and include your supporting documents.
- The person who pays the tax must sign the refund application. If the person who pays the tax is a corporation, a director or authorized employee of the corporation must sign the refund application.
- You must apply separately for a refund of carbon tax you pay on the same fuel if you are also eligible for a refund under the *Carbon Tax Act*. For more information, please see [Notice 2008-026](#), *Carbon Tax Refunds - Purchasers*.
- You are required to keep all your records and documents in British Columbia for five years.
- You can find the refund application forms on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm

How to Apply for a Refund

You apply for a refund using the applicable refund application (or letter) outlined above.

Send your refund application and supporting documentation to:

Ministry of Finance
Refund Section
PO Box 9628 Stn Prov Govt
Victoria BC V8W 9N6

Time Limit and Minimum Amount for Claiming a Refund

Your refund claim must be received by the ministry within four years of the date that you pay the tax. For example, if you paid the tax on August 12, 2008, the ministry must receive your refund claim by August 11, 2012.

The ministry cannot issue a refund of less than \$10.

Need more info?

Motor Fuel and Carbon Tax website: www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

The information in this bulletin 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