

Refunds for Deputy Collectors and Retail Dealers

Motor Fuel Tax Act and Carbon Tax Act

Do you pay security on fuel at a higher rate than the security/tax that you collect from your customers?

Do you need to know how to apply for a refund of the security you pay on that fuel?

This bulletin provides specific tax information to help fuel sellers who are not required to file regular motor fuel tax or carbon tax returns understand the requirements for claiming a refund of security paid under the *Motor Fuel Tax Act* and the *Carbon Tax Act*.

For general information for all fuel sellers, such as the different registration requirements and fuel seller classifications, please see [Bulletin MFT-CT 001, Fuel Sellers](#).

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Overview

Fuel sellers who are not required to file regular returns under the *Motor Fuel Tax Act* and the *Carbon Tax Act* may apply for a refund on the difference between the security paid on fuel, and the security or tax collected when that fuel is sold.

Deputy Collectors

If you pay security on purchases of fuel and you sell that fuel to a wholesale dealer, or retail dealer, you are considered a deputy collector.

Motor Fuel Tax

As a deputy collector, you may apply for a motor fuel tax refund on the difference between the security you pay on fuel, and the security you collect when you:

- export and sell fuel outside British Columbia,
- sell fuel to an exempt fuel retailer,
- colour and sell fuel that you purchase as clear fuel (e.g. you purchase clear diesel, colour the fuel and sell it as heating oil or coloured diesel), provided that you are authorized to colour fuel and sell coloured fuel,
- re-label and sell fuel that you purchase at a higher rate of security (e.g. you purchase clear diesel, re-label the fuel and sell it as marine diesel), provided that you are authorized to re-label fuel, or
- sell clear diesel or clear gasoline outside the South Coast British Columbia transportation service region or the Victoria regional transit service area, and you purchase the fuel within those areas and pay a higher rate of security.

Please note: If you purchase clear gasoline or clear diesel outside the South Coast British Columbia transportation service region or the Victoria regional transit service area, and you sell the fuel within one of those regions, you are required to charge and remit the additional security that is payable within these regions.

Carbon Tax

As a deputy collector, you may apply for a carbon tax refund on the difference between the security you pay on fuel, and the security you collect when you:

- export and sell fuel outside British Columbia,
- sell fuel to an exempt fuel retailer, or
- sell fuel in pre-packaged sealed containers of four litres or less.

Retail Dealers

If you sell fuel to an end purchaser within British Columbia, you are considered a retail dealer.

Motor Fuel Tax

As a retail dealer, you may apply for a motor fuel tax refund on the difference between the security you pay on fuel, and the tax you collect when you:

- sell coloured fuel to a farmer,
- sell fuel to a registered consumer,
- sell fuel to a Status Indian or Indian band and deliver the fuel into a receptacle located on reserve land,

- sell fuel to a visiting force when the fuel is to be used in connection with their official duties,
- sell fuel to a member of the diplomatic or consular corps,
- colour and sell fuel that you purchase as clear fuel (e.g. you purchase clear diesel, colour the fuel and sell it as heating oil or coloured diesel), provided that you are authorized to colour fuel and sell coloured fuel,
- re-label and sell fuel that you purchase at a higher rate of security (e.g. you purchase clear diesel, re-label the fuel and sell it as marine diesel), provided that you are authorized to re-label fuel, or
- sell clear diesel or clear gasoline outside the South Coast British Columbia transportation service region or the Victoria regional transit service area, and you purchase the fuel within those areas and pay a higher rate of security.

Please note: If you purchase clear gasoline or clear diesel outside the South Coast British Columbia transportation service region or the Victoria regional transit service area, and you sell the fuel within one of those regions, you are required to charge and remit the additional tax that is payable within these regions.

Carbon Tax

As a retail dealer, you may apply for a carbon tax refund on the difference between the security you pay on fuel, and the tax you collect when you sell the fuel:

- to an end purchaser within British Columbia and export the fuel for the purchaser's own use outside British Columbia,
- to an end purchaser within British Columbia for their own use outside British Columbia and the end purchaser, at the time of sale, enters into a contract with a common carrier to export the fuel outside British Columbia,
- to a registered consumer,
- to a registered air or marine service consumer,
- to an inter-jurisdictional cruise ship that has a scheduled port of call outside of British Columbia,
- to a ship that is prohibited from coasting trade for use in the operation of the ship,
- to a Status Indian or Indian band and deliver the fuel into a receptacle located on reserve land,
- to a visiting force when the fuel is to be used in connection with their official duties,
- to a member of the diplomatic or consular corps, or
- in pre-packaged sealed containers of four litres or less.

How to Apply for a Refund

To apply for a refund of the security that relates to the motor fuel tax, complete an *Application for Refund of Motor Fuel Tax - Deputy Collector or Retail Dealer* form ([FIN 152](#)).

To apply for a refund of the security that relates to the carbon tax, complete an *Application for Refund of Carbon Tax - Deputy Collector or Retail Dealer* form ([FIN 143](#)).

There are different refund application forms that correspond to the different carbon tax rate periods. Please ensure you use the correct refund application form for the correct tax rate period.

You can find the refund application forms on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm

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.

The *Motor Fuel Tax Act* and *Carbon Tax Act* require that you keep all your records and documents in British Columbia for **five** years.

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 security. For example, if you paid security 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.

Sales Written-Off as Bad Debts

For information on how to apply for a motor fuel tax and/or carbon tax refund for an account that has been written off as a bad debt, please see [Bulletin GEN 001](#), *Refund of Tax Remitted on Sales Written Off as Bad Debts*.

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*, *Carbon Tax Act* and the Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/MotorFuelTax_CarbonTax/mft_ct.htm