

Ministry of Finance

Tax Notice



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Notice 2010-001

www.fin.gov.bc.ca/rev.htm

Off-Highway Motor Fuel Tax Refunds

Motor Fuel Tax Act

This notice outlines changes to the refund application process for off-highway motor fuel tax refunds for the logging, mining, and oil and gas industries. This notice also clarifies the kilometres per litre (KPL) guidelines used by the ministry when calculating off-highway log hauling refunds.

Refund Overview

If you purchase clear fuel, and that fuel is used to operate an eligible vehicle off-highway for a qualifying purpose, you may be eligible for a refund based on the difference between the clear and coloured motor fuel tax rates.

The qualifications for the off-highway refunds have not changed. For information on the qualifications, please see the industry specific bulletins listed on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Motor_Fuel_Tax/bulletins.htm

Refund Applications On, Or After, April 1, 2010

To apply for a refund on, or after, April 1, 2010, you complete the new *Off-Highway Refund Application* form (FIN 141). For information on how to complete the application form, please read the general instructions printed on page one of the form.

The application form will be available April 1, 2010. To be notified when the form is available on the ministry website, please subscribe to the [Consumer Taxes What's New](#) webpage.

The application form outlines the specific supporting documents required for off-highway refund applications. Please read this section of the form carefully as the supporting documents that are required by the ministry may vary, depending on industry type and activity.

Once you have completed the new application form, including the schedule of fuel purchases and the distance worksheet, you have the following two options for submitting the supporting documents:

1. submit **all** your supporting documents at the time you submit your refund application form, or
2. do not submit your supporting documents at the time you submit your refund application form, and once your application has been received and reviewed by ministry staff, you will be contacted to provide a sample of the required supporting documents.

If the ministry identifies errors in the sample documents submitted, the ministry may:

- prorate any identified errors across the entire refund application period,
- request further samples,
- require all supporting documents, or
- return the entire refund application to you if the errors are significant.

If the ministry identifies significant errors in the sample documents, the ministry reserves the right to require that you submit all supporting documents for future refund applications.

Please note: Option 1 may result in you receiving your refund sooner than option 2. This is because option 1 avoids the additional time it takes for the ministry to receive the required sample documents.

Kilometres Per Litre (KPL)

The ministry may apply guideline KPL rates when calculating off-highway log hauling refund applications. Based on the average age of your vehicle fleet, the current guideline KPL rates are as follows:

- 4 years or less – 1.6 KPL
- 5 to 10 years old – 1.4 KPL
- older than 10 years – 1.2 KPL

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 also find information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/motor_fuel_tax/mft.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/Motor_Fuel_Tax/legislation.htm