

## Notice to Deputy Collectors and Retail Dealers

### Propane Inventory

*Motor Fuel Tax Act*

#### Overview

**Effective April 1, 2013**, propane is subject to tax under the *Motor Fuel Tax Act* at the rate of 2.7¢ per litre. Propane includes liquefied petroleum gas (LPG) and may also be referred to as autogas.

This notice explains your responsibilities as deputy collectors (wholesale dealers) and retail dealers for calculating and remitting the security due on your propane inventory.

You are considered a deputy collector or retail dealer if you purchased propane for resale prior to April 1, 2013, on which you would have paid security under the *Motor Fuel Tax Act* if the propane had been subject to tax at that time.

#### Reporting Propane Inventory on April 1, 2013

If you are a deputy collector or retail dealer for propane, you are required to determine the amount of propane that you own immediately after midnight on March 31, 2013, report it as inventory and pay the security due on that inventory. You must include all propane that you own, or are deemed to own, as inventory for resale, less any volume **in** pre-filled containers holding less than 28 litres. If all of the propane that you own, or are deemed to own, as inventory for resale is **in** pre-filled containers holding less than 28 litres, or you do not own any propane immediately after midnight on March 31, 2013, you are not required to submit an inventory return.

You are deemed to own propane immediately after midnight on March 31, 2013, if you:

- have entered into an agreement to buy propane and the agreement provides that you own the propane immediately after midnight on March 31, 2013,
- have not received delivery of the propane at that time, and
- have not entered into an agreement with another person that provides that the other person owns the propane at that time.

You are also deemed to own the propane immediately after midnight on March 31, 2013, if:

- you are a retail dealer and you have entered into an agreement to sell propane to an end purchaser before April 1, 2013, and
- the purchaser has not received delivery of the propane before April 1, 2013.

### **Paying Security**

You are required to remit as security an amount equal to the motor fuel tax rate of 2.7¢ per litre multiplied by the volume of propane inventory on hand, less any volume in pre-filled containers holding less than 28 litres, immediately after midnight on March 31, 2013.

### **Filing the Motor Fuel Tax Inventory Return**

You use the *Motor Fuel Tax Return - Propane Inventory April 1, 2013* form ([FIN 156 – April 1, 2013](#)) to calculate and report your propane inventory and the amount of security due. If you own, or are deemed to have owned, propane inventory at April 1, 2013, you **must** file a tax return. The tax return form and payment are due on **April 15, 2013**. The tax return form is available on our website.

**Please Note:** If you sell propane within BC for the first time after it is manufactured in or imported into the province, you are considered to be a vendor and you must be appointed as a collector for propane under the *Motor Fuel Tax Act*. If you are already a collector under the *Motor Fuel Tax Act* for other types of fuels, you must still be appointed as a collector for propane as an additional fuel type. To apply for appointment as a collector, you need to complete an *Application for Appointment as a Collector* form ([FIN 142](#)) for this additional fuel type.

### **Further Information**

If you have any questions, please call us toll free at 1 877 388-4440 or email your questions to [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

You can also find information on our website at [gov.bc.ca/consumertaxes](http://gov.bc.ca/consumertaxes) under **Motor Fuel Tax and Carbon Tax**.

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. You can find the *Motor Fuel Tax Act* and regulations on our website (go to **Motor Fuel Tax and Carbon Tax** and then **Publications**).