

This summary outlines a coloured fuel seller's responsibilities and how to contact us for help.

1. The authorization to sell coloured fuel under the *Motor Fuel Tax Act* is valid only after the Authorization to Sell Coloured Fuel letter is signed by the applicant and approved by the Consumer Taxation Branch. The Authorization to Sell Coloured Fuel letter is countersigned by the director or deputy director and returned to the applicant.
2. The applicant must notify the Fuel Tax Section of any change in mailing address, the location(s) where coloured fuel will be sold (such as new or closed locations), changes in contact information, or the type(s) of coloured fuel sold (gas or diesel).
3. Businesses must not purchase coloured fuel from their supplier(s) for resale, or sell coloured fuel to others, unless authorized. Purchasing coloured fuel for resale or selling coloured fuel without this authorization is an offence under the *Motor Fuel Tax Act* and may be subject to fines and/or penalties.
4. Coloured fuel sellers must not sell coloured fuel to another business for resale purposes unless that business is also authorized.
5. An electronic listing of all business names and locations authorized to sell coloured fuel and those currently suspended or cancelled for non-compliant activities is available on the Internet at www.sbr.gov.bc.ca/applications/mtf_coloured_fuel/authorized.asp. Information on this site is updated each Monday by 9:00 a.m.
6. Sales of coloured fuel made when a business location is suspended, cancelled or closed are not permitted under the Act and may subject the seller to fines and/or penalties, except for a single wholesale transaction to dispose of any coloured fuel inventory.
7. An authorization to sell coloured fuel does not expire but it can be:
 - suspended for a three-month period if the terms and conditions of the authorization to sell coloured fuel are not met,
 - suspended for a twelve-month period if the terms and conditions of the authorization to sell coloured fuel are not met for a second time within a 24-month period,
 - cancelled if the terms and conditions of the authorization to sell coloured fuel are not met for a third time within a 24-month period, or
 - closed at the request of the business (for instance, it no longer sells coloured fuel).
8. An authorization is not transferable if the ownership of the business changes. The new owner must apply and be authorized prior to selling coloured fuel.
9. Authorized businesses must ensure that:
 - if transporting coloured fuel, the container in which coloured fuel is placed is clearly labelled "MARKED FUEL";
 - all coloured fuel pumps/dispensing units correctly display the ministry's coloured fuel labels;
 - clear fuel is not sold as coloured fuel;
 - copies of invoices for retail sales of coloured fuel greater than 45 litres must be kept by the seller and record the following information:
 - the date of sale,
 - the name and address of the person to whom the coloured fuel was sold,
 - the quantity of fuel sold, and
 - the type of fuel as "Marked Fuel"; and

- all wholesale sales invoices for coloured fuel sales must record the following:
 - the information required for retail sales greater than 45 litres, and
 - the price per unit of sale, the tax rate and the total tax collected.
10. Businesses must not sell coloured fuel if the circumstances are such that a reasonable person would believe that the fuel is to be used for a purpose that is not authorized under the *Motor Fuel Tax Act*. The following are authorized purposes.
- In a ship (a yacht or a boat).
 - In an industrial machine (such as a bulldozer, a backhoe, any machine equipped with caterpillar tracks, a crusher, an earth compactor, a grader, a grass mower, a roller, a skidder, a fork-lift, a front-end loader) when not used on a public road or highway.
 - In specific vehicles used by the logging or mining industry when not used on a public road or highway (such as trucks when used to transport logs, lumber or minerals, crew crummies and buses used for the transportation of company employees, contractors or agents of the company, or employees of the contractors and agents, fire trucks and ambulances when used as fire trucks and ambulances).
 - In a stationary engine or portable engine (such as a generator or portable sawmill).
 - In road building machinery within a highway project area or used by or for the provincial government in the construction or repair of roads maintained by the government.
 - In a tractor when not used on a public road or highway.
 - In a tractor when used on a highway by or on behalf of a farmer for the purposes of the farmer's farm.
 - In a farm truck licensed as a farm vehicle under the *Commercial Transport Act*, and being used by a farmer or other person in the operation of the farm.
 - In a motor vehicle that is not licensed to operate on a highway, including unlicensed snowmobiles and all-terrain vehicles (ATVs).

Notes:

- The *Motor Fuel Tax Act* provides a complete list of authorized uses of coloured fuel.
 - If you require assistance in determining an eligible purpose, contact the Fuel Tax Section. Please be aware that licensed motor vehicles, such as cars, trucks (except farm trucks), vans or campers are not eligible to use coloured fuel.
 - A highway is defined as any public road, street, lane or right of way (road allowances) in British Columbia. Off-road areas, such as logging, drilling or mine sites, and private roads maintained by industry, such as designated logging roads, are considered off highway.
 - A licensed motor vehicle is defined as being licensed for use on a public roadway according to conditions set out in the licence. Generally, licensing includes the attachment of correct number plates to the vehicle, the presence of a correct validation decal on a number plate, the *Owner's Certificate of Insurance and Vehicle Licence*, or a Temporary Operating Permit correctly displayed or carried in the vehicle. Motor vehicles without any of the above are considered unlicensed.
 - A person who uses coloured fuel for an unauthorized purpose is committing an offence and may be liable for fines and/or penalties.
11. Businesses with manned locations such as self-serve and full-service pumps must ensure no person places coloured fuel in the supply tank of a licensed motor vehicle, such as a car, truck, van or camper. The only exception is trucks licensed for farm use.

12. Where coloured fuel is sold from unmanned pumps, such as at a key or card lock, a copy of a *Coloured Fuel Account Certification* form (**FIN 438**) must be completed by each purchaser and retained by the seller to substantiate the sale and eligible use of the coloured fuel.
13. The current tax rate on coloured fuel sales is 3¢ per litre but coloured fuel sellers may sell coloured fuel exempt of tax in the following situations.
- A) To farmers if:
- they provide the seller of the fuel with:
 - a completed and signed *Certificate of Exemption as a Farmer* (**FIN 465**), or
 - a copy of their Farmer Identity Card (issued by the British Columbia Agricultural Council), and
 - the fuel is:
 - delivered by the seller to a storage receptacle located on the farmer's land and the land is classified as farm land, or
 - purchased on the farmer's account (a credit card or debit card sale) from a bulk agent or key/card lock facility.
- B) To First Nations if:
- the purchaser is a native Indian or an Indian Band (not a registered corporation),
 - the fuel is for their personal use (not for resale),
 - the sale occurs on reserve/band land,
 - the fuel is delivered by the retailer to a receptacle located on reserve land, and
 - the following information is recorded on the sales invoice:
 - the purchaser's name, band name and number or registry number as shown on the *Certificate of Indian Status* card,
 - if the purchaser is acting on behalf of an Indian band: the band's name and band number as they appear on the authorization letter from the band, the purchaser's name, and the name of the band official who signed the letter,
 - the quantity and type of fuel sold exempt, the reserve location to which the fuel was delivered, and a statement that the fuel was delivered to that location as a condition of sale, and
 - the signature of the purchaser confirming the above information.
- Note:** In all cases, if the purchaser's eligibility for a coloured fuel exemption cannot be supported in the manner described, the business is required to collect the tax. Failure to do so may make the business liable for payment of the tax that should have been collected on the coloured fuel sale.
14. Effective February 21, 2007, records related to the purchase and sale of coloured fuel must be kept for audit and inspection purposes for a period of five (5) years.
15. It is the responsibility of coloured fuel sellers to understand and comply with the requirements of the legislation and with the terms and conditions of their authorization. Information is available on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Motor_Fuel_Tax/mtf.htm (including a copy of the *Motor Fuel Tax Act*) or by contacting Taxpayer Services at the numbers below.

Contact Us

For more information on the coloured fuel sales program or the authorized uses of coloured fuel, please visit us on the web at www.sbr.gov.bc.ca/business/Consumer_Taxes/Motor_Fuel_Tax/key_fuel_programs/coloured_fuel_program.htm, or

Write to us: Fuel Tax Section
Consumer Taxation Branch
Ministry of Small Business and Revenue
PO Box 9442 Stn Prov Govt
Victoria BC V8W 9V4

Telephone Taxpayer Services: In Vancouver, call 604 660-4524
Elsewhere in BC, call toll-free 1 877 388-4440

E-mail Taxpayer Services E-mail: CTBTaxQuestions@gov.bc.ca

To report unauthorized use or sales of coloured fuel, please call the ministry's anonymous TIPS line at 1 877 977-0858.