

INSTRUCTIONS FOR COMPLETING THE TAX RETURN – EXEMPT FUEL RETAILERS (FIN 412)

under the *Motor Fuel Tax Act* and *Carbon Tax Act*

Use this form to report clear gasoline, coloured gasoline, clear diesel and coloured diesel only. If you sell fuels such as marketable natural gas, propane, or heating fuel, please contact us for information regarding taxation and reporting requirements.

Exempt Fuel Retailer Program Documentation

You must attach the following schedules with your **FIN 412** when you submit it each month:

- **Schedule 1 – Gasoline Purchases (FIN127)**
If you have purchased any clear gasoline or coloured gasoline during the month, you must report all volumes on this form. All gasoline purchase invoices must be submitted with this form.
- **Schedule 2 – Diesel Purchases (FIN 133)**
If you have purchased any clear diesel or coloured diesel during the month, you must report all volumes on this form. All diesel purchase invoices must be submitted with this form.
- **Schedule of Sales of Tax-Exempt Fuels to Registered Indians or Indian Bands (Signature Sheets) (FIN412/2)**
As you make exempt sales during the month, record the exempt sales on this form and have your customer sign the form to confirm that they purchased that volume of fuel.

Steps to complete your tax return:

- 1) Calculate the Total Exempt Sales from all of your Sales of Tax-Exempt Fuels to Status Indians or Indian Bands (Signature Sheets) (**FIN412/2**) for the month.
- 2) Assemble all your fuel purchase invoices and complete the Schedule 1 – Gasoline Purchases (**FIN127**), and/or Schedule 2 – Diesel Purchases (**FIN 133**). Attach the fuel invoices/supporting records from the fuel supplier that show the fuel you purchased, the security you paid, and the date you purchased the fuel.
- 3) Obtain your tank dip/volume records for the end of the last day of the previous month (opening inventory) and the tank dip/volume records for the end of the last day of this month (closing inventory) for each fuel type on this return.

- 4) Use the information in Steps 1 to 3 to complete Part D of the Tax Return – Exempt Fuel Retailers (**FIN412**). Refer also to the **Detailed Instructions** for additional information on completing the tax return.
- 5) Calculate the Net Amount Payable (Refundable) in Part G of the tax return.
- 6) Record the Payment Enclosed/(Refundable) on the front of the tax return in Part B and check the box that indicated if you are enclosing a payment or submitting a refund claim.
- 7) An authorized representative of the business must sign and date Part C – Taxpayer Certification. You must verify the completeness and accuracy of the return before signing.
- 8) If you are enclosing a payment, make the cheque payable to the Minister of Finance. If you are applying for a refund, the Ministry will not issue a refund of less than \$20, but this amount will remain on your account and be applied to future balances.
- 9) Send the complete return package to the Ministry of Finance at the address provided on the form and include:
 - a. Tax Return – Exempt Fuel Retailers (**FIN 412**),
 - b. Schedules to support any purchases made during the month: Schedule 1 – Gasoline Purchases (**FIN 127**) and /or Schedule 2 – Diesel Purchases (**FIN 133**),
 - c. Fuel purchase records to support the Schedule 1 and Schedule 2,
 - d. Schedules to support the exempt sales made during the month: Schedule of Sales of Tax-Exempt Fuels to Status Indians or Indian Bands (Signature Sheets) (**FIN 412/2**),
 - e. Payment if required.

You can obtain additional copies of these forms and detailed instructions from our website at: www.sbr.gov.bc.ca/individuals/Consumer_Taxes/Motor_Fuel_Tax/forms.htm. You may also contact our office to request additional forms or instructions.

Detailed Instructions

Part D – Inventory and Sales Reporting

Note: All volumes should be reported in litres. All percentages must be rounded to the nearest whole percentage point.

- 1) Opening Inventory:** Enter the volume of fuel in your tanks at the beginning of the first day of the month for each type of fuel.
- 2) Total Purchases:** Enter volumes from Schedule 1 – Gasoline Purchases (**FIN127**) and Schedule 2 – Diesel Purchases (**FIN 133**). Column E total (Box I) and/or Column G (Box K).
- 3) Less Closing Inventory:** Enter the volume of fuel in your tanks at the end of the last day of this month for each fuel type.
- 4) Total Volume of Fuel Sold in BC:** Total of Opening Inventory plus Purchases minus Closing Inventory.
- 5) Exempt %:** This percentage should be carried forward from the Exempt Percentage Calculations amounts on your Schedule 1 – Gasoline Purchases (**FIN127**) and Schedule 2 – Diesel Purchases (**FIN 133**), Box M depending on the fuel types you purchased. If you did not purchase a fuel type this month, use the exempt percentage from the prior month's Schedule 1 – Gasoline Purchases (**FIN 127**) or Schedule 2 – Diesel Purchases (**FIN 133**).
- 6) Total Tax-Exempt Volume:** Multiply Line 4 volume by Line 5 percentage.
- 7) Fuel Sold to Status Indians and Indian Bands:** Report the Total Exempt Sales for this month from your Sales of Tax Exempt Fuels to Status Indians or Indian Bands (Signature Sheets) (**FIN412/2**) for the month.
- 8) Net Sales Volume:** Deduct the volume at Line 7 from the volume at Line 6 for each fuel type. If the result is negative, report the volume in brackets.

Part E– Motor Fuel Tax Payable (Refundable)

- 9) Net Taxable (Refundable) Sales Volume:**
Enter the amount from Line 8.
- 10) Motor Fuel Tax Rate:** These are the Motor Fuel Tax rates for your specific location.
- 11) Motor Fuel Tax Payable or (Refundable):**
Multiply Line 9 by Line 10.
Box I: Sum of the Motor Fuel Tax Payable or (Refundable) amounts for boxes E, F, G, and H. This total amount is the total Motor Fuel Tax Payable or (Refundable) for all the fuel types for the month.

Part F – Carbon Tax Payable (Refundable)

- 12) Net Taxable (Refundable) Sales Volume:**
For Gasoline add the amounts from Line 9 Box A and Box B. For Diesel add the amounts from Line 9 Box C and Box D. If the amount is negative, report it in brackets. The brackets indicate a volume refundable.
- 13) Carbon Tax Rates**
- 14) Carbon Tax Payable or (Refundable):**
Multiply Line 12 by Line 13.
Box N – Total. Sum the Carbon Tax Payable or (Refundable) amounts for boxes L and M. This Total amount is the total Carbon Tax Payable or (Refundable) for all the fuel types for the month.

Part G – Net Amount Payable (Refundable)

- 15) Add the Totals from Line 14 Box L and Line 14 Box N:**
This is the Net Amount Payable (Refundable). If you are enclosing a payment with this return or you are submitting a refund claim, indicate the amount on Part B – Return Information.