

Registered Air Service and Registered Marine Service Carbon Tax

Carbon Tax Act

Overview

Effective July 1, 2008, carbon tax applies to fuels, such as gasoline, diesel, natural gas, heating fuel, propane and coal, and to peat and tires when used to produce energy or heat. For a complete list of the fuels and combustibles subject to carbon tax and their tax rates, please see the schedule, [Carbon Tax Rates by Fuel Type](#).

This notice explains the requirements for becoming a registered air service or a registered marine service under the *Carbon Tax Act* and the associated responsibilities. Registration does not affect the amount of carbon tax you pay, but it does determine how you report the tax and when you pay it.

This notice does not apply to a cruise ship that has scheduled ports of call outside of British Columbia, or a ship that cannot, and does not, engage in coasting trade under the *Coasting Trade Act* (Canada). Fuel used in the operation of these ships is exempt of tax under the Act.

This notice does not apply to fuel sellers. If you sell fuel, please see the [Notice to Fuel Sellers – Carbon Tax](#).

Registered Air Services or Registered Marine Services

Qualifying for Registration as a Registered Air Service

You may apply to the ministry for registration as a registered air service if:

- you own or operate a commercial air service that offers air transportation of passengers, goods, or both, to members of the public for a fee on a scheduled or chartered basis,
- at least 50% of the fuel that you use in all flights beginning or ending in the province is for flights that do not connect two locations in the province,

- you hold a licence issued by the Canadian Transportation Agency and an operating certificate issued by Transport Canada, for each aircraft and flight that is part of the commercial air service, and
- all flights that you offer are authorized by the Canadian Transportation Agency and Transport Canada.

Qualifying for Registration as a Registered Marine Service

You may apply to the ministry for registration as a registered marine service if:

- you own or operate a commercial marine service that offers marine transportation of passengers, goods, or both, to members of the public for a fee on a scheduled or chartered basis, and
- at least 50% of all the trips of all your ships that begin or end in British Columbia are trips that do not involve carrying passengers or goods loaded at one location in British Columbia, to the same or another location in the province for unloading.

OR

- you own or operate a commercial marine service that does not offer marine transportation of passengers, goods, or both, and
- at least 50% of all your trips of all your ships that begin or end in British Columbia also include a stop at a port outside of British Columbia.

How to Apply

To apply for registration as a registered air service or a registered marine service, you need to complete and send in either, an *Application for Registration as a Registered Air Service* ([FIN 123](#)), or an *Application for Registration as a Registered Marine Service* ([FIN 155](#)).

Before being registered as a registered air service or a registered marine service, you will be required to enter into an agreement with the ministry that sets out the duties and conditions of your registration. This may include posting a bond or surety.

If you are approved for registration as a registered air service or a registered marine service, the ministry will send you a *Registered Air Service Certificate* or a *Registered Marine Service Certificate*, which will include your name, address, registration number and the type of fuel(s) you may purchase exempt. The forms and information that you will need to report and pay the carbon tax, will also be sent to you with the certificate.

If you are not approved for registration as a registered air service or a registered marine service, the ministry will send you a letter explaining why your application was refused. If your application is refused, you will be required to pay carbon tax at the time of purchasing fuel in the province, and to self-assess carbon tax on fuel you transfer or bring into the province in a supply tank or otherwise import and use in British Columbia. You will qualify for a refund of tax on the portion of the fuel that you use on trips or flights that begin or end outside of the province.

For more information on self-assessing carbon tax, please see the notice [*Self-Assessing Carbon Tax*](#).

For more information on refunds of carbon tax, please see the notice [*Non-Registered Air or Marine – Carbon Tax*](#).

Transitional Period

If you have applied to be a registered air service or a registered marine service and you are an eligible business, the ministry will issue you a temporary *Registered Air Service Certificate* or a *Registered Marine Service Certificate* that will be in effect to March 31, 2009. These temporary certificates will allow eligible businesses to purchase specified type(s) of fuel exempt of tax until registered air service or registered marine service agreements can be negotiated and signed.

Responsibilities of Registered Air Services and Registered Marine Services

Purchasing Fuel

As a registered air service, you may purchase the type(s) of fuel indicated on your *Registered Air Service Certificate* without paying the carbon tax at the time of purchase by providing your supplier with a copy of your *Registered Air Service Certificate* or your registered air service number and fuel type.

As a registered marine service, you may purchase the type(s) of fuel indicated on your *Registered Marine Service Certificate* without paying the carbon tax at the time of purchase by providing your supplier with a copy of your *Registered Marine Service Certificate* or your registered marine service number and fuel type.

Paying the Carbon Tax

As a registered air service, you are required to self-assess and pay carbon tax when you use the type(s) of fuel indicated on your *Registered Air Service Certificate* for a taxable purpose in British Columbia. This includes fuel that you:

- purchase in British Columbia,

- bring into British Columbia in the supply tank, or supplemental supply tank, of an aircraft, or
- transfer into the supply tank, or supplemental supply tank, of an aircraft.

You are also required to self-assess and remit carbon tax on the amount of fuel you determine will not be used, for example, due to spillage.

As a registered marine service, you are required to self-assess and pay carbon tax when you use the type(s) of fuel indicated on your *Registered Marine Service Certificate* for a taxable purpose in British Columbia. This includes fuel that you:

- purchase in British Columbia,
- bring into British Columbia in the supply tank, or supplemental supply tank, of a vessel, or
- transfer into the supply tank, or supplemental supply tank, of a vessel.

You are also required to self-assess and remit carbon tax on the amount of fuel you determine will not be used, for example, due to spillage.

You must file a return and remit the carbon tax to the ministry by the **15th day** of the month following the reporting period in which you used the fuel in the province.

Reporting periods are monthly, quarterly or annually, and are established when you are registered as a registered air service or registered marine service. Your reporting period will be based on the annual amount of carbon tax you are required to remit:

- less than \$12,000 of carbon tax – annual reporting (July 1 – June 30),
- \$12,000 to less than \$120,000 of carbon tax – quarterly reporting (January 1 – March 31, April 1 – June 30, July 1 – September 30, October 1 - December 31), or
- \$120,000 or more of carbon tax – monthly reporting.

You use the *Carbon Tax Return – Registered Air Service or Registered Marine Service* form (**FIN 105**) to report and remit the carbon tax due. Once you have been registered, you will receive a reminder in the mail prior to your remittance due date.

For registered air services or registered marine services who report monthly, the first tax return and payment will be due **August 15, 2008** for fuel used in the province in July 2008.

Use of Fuel Not Indicated on Your Air Service or Marine Service Certificate

If you use any type of fuel in British Columbia that is not indicated on your *Registered Air Service Certificate* or *Registered Marine Service Certificate* on which you have not paid the carbon tax at the time of purchase, please see the notice [Self-Assessing Carbon Tax](#).

Tax Returns and Payments - Due Date

If you send in your tax return and payment by mail, it is considered on time if the envelope is postmarked by Canada Post on, or before, the due date. A business postage meter mark is not sufficient. If you deliver your tax return in any other manner, such as by hand or by courier, it must be received by the ministry by the close of business (4:30 pm) on the due date. If tax returns and payments are not received on time, penalties and interest may be applied.

Suspension and Cancellation of Registered Air Service or Registered Marine Service Registrations

Your registration as a registered air service or a registered marine service may be suspended or cancelled for non-compliance with the *Carbon Tax Act* or regulations, or for failing to meet the duties and conditions set out in your agreement. If your registration is suspended or cancelled, you will be required to pay carbon tax at the time of purchasing fuel in the province, and to self-assess carbon tax on fuel you transfer or bring into the province in a supply tank or otherwise import and use in British Columbia. You will qualify for a refund of tax on the portion of the fuel that you use on trips or flights that begin or end outside of the province.

For more information on self-assessing carbon tax, please see the notice [Self-Assessing Carbon Tax](#).

For more information on refunds of carbon tax, please see the notice [Non-Registered Air or Marine – Carbon Tax](#).

Further Information

You can find more information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Carbon_Tax/carbon_tax.htm

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

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. The *Carbon Tax Act* and regulation is on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Carbon_Tax/carbon_tax.htm