

## Renewable Fuels Notice – Motor Fuel Tax

### *Motor Fuel Tax Act*

This notice provides important information on changes to legislation announced in the September Budget Update 2009, as a result of the coming into force of the renewable fuel standard under the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* on January 1, 2010.

Effective January 1, 2010, ethanol and biodiesel will no longer be exempt from tax under the *Motor Fuel Tax Act*. Motor fuel tax will apply to ethanol and biodiesel at the same rate as the fuel with which it is blended. Motor fuel tax will apply to 100% ethanol at the same rate as clear gasoline, and to 100% renewable diesel fuel at the same rate as motive fuel (i.e. clear diesel). Renewable diesel fuel includes both biodiesel and hydrogenated-derived renewable diesel fuel.

### **Inventory Reporting Requirements**

If you are a deputy collector or retail dealer required to pay security, or additional security, as a result of the elimination of the exemptions for ethanol and biodiesel, you will be required to determine the amount of fuel that you own, or are deemed to own, immediately after midnight on December 31, 2009. You must file an inventory return and pay the security, or additional security, due on that inventory to the ministry by January 15, 2010. If you do not own any affected fuels on January 1, 2010, you must still provide the ministry with an inventory return stating “nil” or “no inventory”.

Additional information regarding inventory reporting requirements and transitional rules for the purchase and use of fuel on, or after, January 1, 2010, is being prepared and will be available shortly.

For related information on renewable fuels and the carbon tax, please see the [Renewable Fuels Notice – Carbon Tax](#).

For information on other changes announced in the September Budget Update 2009, please see the notice, [September Budget Update 2009 – Tax Change Summary](#).

## **Fixed Price Contracts**

A refund is available to purchasers who entered into fixed price contracts before September 1, 2009, to purchase ethanol and renewable diesel fuel.

You are entitled to a refund of the motor fuel tax you pay on, or after, January 1, 2010, on ethanol or renewable diesel fuel if:

- you entered into a fixed price contract before September 1, 2009, to purchase the ethanol or renewable diesel,
- the ethanol or renewable diesel is delivered before July 1, 2010,
- the contract specifies the amount of ethanol or renewable diesel to be delivered under the contract, and
- you cannot recover the tax paid under the contract.

You are not entitled to a refund of the tax paid on any ethanol or renewable diesel you receive in excess of the amount specified in the contract.

## **Reporting Tax on Sales Invoices**

As a reminder, please note that, effective January 1, 2010, if you sell fuel:

- from a bulk storage facility, cardlock or terminal rack,
- for resale,
- to a registered consumer, or
- to a customer that requests an invoice,

you must provide an invoice to your customer showing:

- the date of the sale,
- your name and address,
- the name and address of the person you sold the fuel to,
- the quantity of each type of fuel sold, and
- the rates for motor fuel tax and carbon tax, for each type of fuel sold, as separate lines or columns on the invoice.

## **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](mailto:CTBTaxQuestions@gov.bc.ca)

You can also find information on our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/consumer\\_taxes.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm)