

## Refunds for Deputy Collectors and Retail Dealers

### Motor Fuel Tax Act and Carbon Tax Act

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Latest Revision: The revision bar ( | ) identifies changes to the previous version of this bulletin dated December 2015. For a summary of the changes, see Latest Revision at the end of this document.

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This bulletin explains the requirements for claiming a refund of security paid for fuel by fuel sellers not required to file regular motor fuel tax or carbon tax returns.

For general information for all fuel sellers, such as the different registration requirements and fuel seller classifications, see [Bulletin MFT-CT 001](#), Fuel Sellers.

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### Overview

Fuel sellers who are not required to file regular returns may apply for a refund on the difference between the security paid on fuel, and the security received or tax collected when that fuel is sold.

## **Deputy Collectors**

If you pay security on purchases of fuel and you sell that fuel to a wholesale dealer, or retail dealer, you are considered a deputy collector.

### **Motor Fuel Tax**

As a deputy collector, you may apply for a motor fuel tax refund on the difference between the security you pay on fuel, and the security you receive, if any, when you:

- export and sell fuel outside B.C.,
- sell fuel to an exempt fuel retailer,
- colour and sell fuel that you purchase as clear fuel (e.g. you purchase clear diesel, colour the fuel and sell it as heating oil or coloured diesel), provided that you are authorized to colour fuel and sell coloured fuel,
- re-label and sell fuel that you purchase at a higher rate of security (e.g. you purchase clear diesel, re-label the fuel and sell it as marine diesel), provided that you are authorized to re-label fuel, or
- sell clear diesel or clear gasoline outside the South Coast British Columbia transportation service region (SCTA) or the Victoria regional transit service area (VRTA), and you purchase the fuel within those areas and pay a higher rate of security.

**Note:** You cannot claim a refund if you purchase clear gasoline or clear diesel **inside** the SCTA or VRTA, and you **use** the fuel **outside** the SCTA or VRTA (e.g. you consume the fuel in the operation of your business). In this case, the dedicated tax that is payable within the SCTA or VRTA applies, since title to the fuel transferred to you inside the SCTA or VRTA.

If you purchase clear gasoline or clear diesel **outside** the SCTA or the VRTA, and you sell the fuel **inside** one of those regions, the wholesale dealer or retail dealer is required to pay you security equal to the tax, including the applicable dedicated tax that would be payable by the end-purchaser, in the region. You are required to remit the difference between the security you paid on the fuel and the security received to us.

For more information, see [Bulletin MFT-CT 005](#), Tax Rates on Fuels.

## Carbon Tax

As a deputy collector, you may apply for a carbon tax refund on the difference between the security you pay on fuel, and the security you receive, if any, when you:

- export and sell fuel outside B.C.,
- sell fuel to an exempt fuel retailer, or
- sell fuel in pre-packaged sealed containers of four litres or less.

## Retail Dealers

If you sell fuel to an end purchaser within B.C., you are considered a retail dealer.

## Motor Fuel Tax

As a retail dealer, you may apply for a motor fuel tax refund on the difference between the security you pay on fuel, and the tax you collect, if any, when you:

- sell coloured fuel or propane to a farmer,
- sell fuel to a registered consumer,
- sell fuel to an eligible First Nation purchaser and deliver the fuel into a receptacle located on reserve land (for more information, see [Bulletin MFT-CT 002](#), Sales to First Nations and the Fuel Tax Exemption Program),
- sell fuel to a visiting force when the fuel is to be used in connection with their official duties,
- sell fuel to a member of the diplomatic or consular corps,
- colour and sell fuel you purchase as clear fuel (e.g. you purchase clear diesel, colour the fuel and sell it as heating oil or coloured diesel), provided that you are authorized to colour fuel and sell coloured fuel,
- re-label and sell fuel you purchase at a higher rate of security (e.g. you purchase clear diesel, re-label the fuel and sell it as marine diesel), provided that you are authorized to re-label fuel, or
- sell clear diesel or clear gasoline outside the South Coast British Columbia transportation service region (SCTA) or the Victoria regional transit service area (VRTA), and you purchase the fuel within those areas and pay a higher rate of security.

**Note:** You cannot claim a refund if you purchase clear gasoline or clear diesel **inside** the SCTA or VRTA, and you **use** the fuel **outside** the SCTA or VRTA (e.g. you consume the fuel in the operation of your business). In this case,

the dedicated tax that is payable within the SCTA or VRTA applies, since title to the fuel transferred to you inside the SCTA or VRTA.

If you purchase clear gasoline or clear diesel **outside** the SCTA or the VRTA, and you sell the fuel **inside** one of those regions, you are required to collect the tax, including the applicable dedicated tax in the region from your customer and remit the difference between the security you paid to us and the tax collected to us.

For more information, see [Bulletin MFT-CT 005](#), Tax Rates on Fuels.

## Carbon Tax

As a retail dealer, you may apply for a carbon tax refund on the difference between the security you pay on fuel, and the tax you collect, if any, when you:

- sell fuel to an end purchaser within B.C. and export the fuel for the purchaser's own use outside B.C.,
- sell fuel to an end purchaser within B.C. for their own use outside B.C. and the end purchaser, at the time of sale, enters into a contract with a common carrier to export the fuel outside B.C.,
- sell fuel to a registered consumer,
- sell fuel to a registered air or marine service consumer,
- sell fuel to an inter-jurisdictional cruise ship that has a scheduled port of call outside of B.C.,
- sell fuel to a ship that is prohibited from coasting trade for use in the operation of the ship,
- sell fuel to an eligible First Nation purchaser and deliver the fuel into a receptacle located on reserve land,
- sell coloured gasoline or coloured diesel to a qualifying farmer,
- sell fuel to a visiting force when the fuel is to be used in connection with their official duties,
- sell fuel to a member of the diplomatic or consular corps
- sell fuel in pre-packaged sealed containers of four litres or less, or
- sell propane partially exempt at retail to an eligible greenhouse grower.

## **How to Apply for a Refund**

To apply for a refund of the security that relates to the motor fuel tax, complete an Application for Refund of Motor Fuel Tax - Deputy Collector or Retail Dealer ([FIN 152](#)).

To apply for a refund of the security that relates to the carbon tax, complete an Application for Refund of Carbon Tax - Deputy Collector or Retail Dealer ([FIN 143](#)). If you sold propane partially exempt from carbon tax to an eligible greenhouse grower, apply for a refund using an Application for Refund of Carbon Tax Greenhouse Growers – Seller (Propane) ([FIN 110B](#)).

Refund application forms correspond to specific carbon tax rate periods. You can find the refund application forms on our [motor fuel tax and carbon tax forms page](#) or see our [previous versions](#) page to find prior years carbon tax refund application forms. Make sure you use the correct refund application form for the correct tax rate period.

Each refund application form provides instructions on how to complete the form and the specific supporting documentation you must submit with the application. Read the Explanation of Document Numbers section of the form carefully, as the supporting documents may vary depending on the reason for the refund. Your refund application will not be processed if you do not provide the required documents.

You must keep all your records and documents for five years from the date the record was created. You are not required to store the records in B.C.

## **Time Limit and Minimum Amount for Claiming a Refund**

Your refund claim must be received by us within four years from the date you pay the security. For example, if you paid security on August 12, 2023, we must receive your refund claim by August 12, 2027.

We cannot issue a refund of less than \$10.

## **Sales Written-Off as Bad Debts**

For information on how to apply for a motor fuel tax or carbon tax refund for an account that has been written off as a bad debt, see [Bulletin CTB 001](#), Bad Debts.



## Need more info?

Online: [gov.bc.ca/salestaxes](https://gov.bc.ca/salestaxes)

Toll free: 1-877-388-4440

Email: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

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### Latest Revision

February 2024

- Added the new Application for Refund of Carbon Tax Greenhouse Growers –Seller (Propane) (FIN 110B) for propane sold partially exempt to eligible greenhouse growers
  - Updated the record keeping information to reflect that, effective April 1, 2020, records are no longer required to be stored in B.C.
  - Other minor revisions
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