

Guide to Completing the Generic Motor Fuel Tax Return



Latest Revision: *The revision bar (|) identifies changes to the previous version of this guide dated May 2018.
For a summary of the changes, see Latest Revision at the end of this document.*

September 2018

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General Instructions

This guide provides information to help collectors and registered consumers under the *Motor Fuel Tax Act* complete the *Generic Motor Fuel Tax Return*. Please note that all of the fuels subject to the *Motor Fuel Tax Act* (MFTA) are also subject to the *Carbon Tax Act* (CTA).

You can find additional information on motor fuel and carbon tax, including publications and forms on our website at gov.bc.ca/salestaxes

In this guide, the term *collectors* refer to both collectors and registered consumers, unless otherwise stated. Also the term *tax*, generally, but not in all cases, includes *security*. Collectors pay security to the ministry equal to the amount of tax that would have been collected if they sold the fuel to an end purchaser. Collectors receive and retain the security paid to them by deputy collectors and retail dealers, and they collect and retain taxes they collect from end purchasers, up to the amount of the security they paid on the fuel.

The Generic Motor Fuel Tax Return is an Excel spreadsheet and does most of the calculations for you. We will update the spreadsheet when changes occur.

Note: Do not modify the spreadsheet (e.g. create new fuel types or reason codes) for your own reporting. We will not accept any returns if the spreadsheet has been modified, unless you have received approval from us.

You can also file the Generic Motor Fuel Tax Return and pay tax online using [eTaxBC](#).

How to Use the Generic Motor Fuel Tax Return

The tax return has three types of forms:

1. **Summary Forms** – one for diesel and related products (FTD-Tax) and one for gasoline and related products (FTG-Tax)

Note: Most of the information on the summary forms is automatically calculated when you complete the schedules and attachments.

2. **Schedules** – summaries of transactions usually by jurisdiction
3. **Attachments** – individual sale or purchase transactions

If you are a registered consumer, you report fuel used for a taxable purpose only on the summary forms, specifically Line 12 Total Taxable Volumes. This means you are not required to complete any schedules or attachments, and are not eligible to receive commission.

If you are a collector, you must complete the summary forms, schedules and attachments. Most lines on the summary form are automatically populated from the information you completed on the related schedules.

The table below shows you, for each line of the summary form, the related schedule or attachment that must be completed. If you are not reporting fuel activity on a specific line of the summary form, you are not required to complete the related schedule or attachment. In this table, the term *diesel* means diesel and related fuels and the term *gasoline* means gasoline and related fuels.

Summary Forms (FTD-TAX and FTG-TAX)	Schedules (summary level for each jurisdiction)	Attachments (transaction level i.e. each individual sale or purchase activity)
Line 1 Opening Untaxed Inventory	N/A	N/A
Line 2 Refined or Manufactured within Jurisdiction	N/A	N/A
Line 3 Imports from Out-of-Jurisdiction	FTD-1 for diesel FTG-1 for gasoline	ATT-FTD-1 for diesel ATT-FTG-1 for gasoline
Line 4 Acquisitions within Jurisdiction	FTD-2 for diesel FTG-2 for gasoline	ATT-FTD-2 diesel ATT-FTG-2 gasoline
Line 5 Rebrands	FTD-2.5 for diesel FTG-2.5 for gasoline	N/A
Line 6 & 7 – do not enter data as it will calculate for you	N/A	N/A
Line 8 Exports Out-of-Jurisdiction	FTD-3 for diesel FTG-3 for gasoline	ATT-FTD-3 diesel ATT-FTG-3 gasoline
Line 9 Dispositions within Jurisdiction between Refiner Collectors, to Registered Consumers and to other Fuel Sellers for Export	FTD-4 for diesel FTG-4 for gasoline	ATT-FTD-4 diesel ATT-FTG-4 gasoline
Line 10 Exempt Sales	FTD-5 for diesel FTG-5 for gasoline	ATT-FTD-5 diesel ATT-FTG-5 gasoline
Line 11 Volume Adjustments	FTD-6 for diesel FTG-6 for gasoline	N/A
Line 12 & 13 – do not enter data as it will calculate for you, unless you are a registered consumer then enter the fuel used for a taxable purpose on Line 12	N/A	N/A

Summary Forms (FTD-TAX and FTG-TAX)	Schedules (summary level for each jurisdiction)	Attachments (transaction level i.e. each individual sale or purchase activity)
Line 14 Tax Adjustments	FTD-7 for diesel FTG-7 for gasoline	N/A
Line 16 Commissions	FTD-8 for diesel FTG-8 for gasoline	N/A

When completing your tax return, the information must match the related information on attachments, schedules and summary forms. If applicable, your information must also match reported information on carbon tax returns and returns submitted to other jurisdictions.

For example, the volume of exempt fuel sales on your generic motor fuel tax return to eligible First Nations purchasers must match the volume of exempt sales to eligible First Nations purchasers on your carbon tax return.

If we identify inconsistent information, such as the summary form not matching the related schedules and attachments, we will attempt to contact you. If we are unable to resolve the inconsistency before month end, we will process the tax return based on the best information available, which is usually the transactional information. We may issue an assessment for any amounts owing due to the error.

We may also investigate significant changes or differences between reporting periods.

In addition to contacting you by telephone or email, we may also schedule a site visit or field audit to examine the accuracy of your records and supporting documents.

Amended Tax Returns

If you identify an error (e.g. transposed numbers) in your tax return for a prior reporting period, you must submit an amended or revised return or the amended sections of the return for that period. You must submit true values, not the net value of the change (e.g. if you reported 1 million litres of diesel, but you should have reported 4 million, your amended return must state 4 million not the net increase of 3 million).

- For an error in a sales invoice to your customer, you should reverse and rebill your customer, and you must amend the original return to reflect revised amounts (volumes and/or dollars). You cannot reverse and rebill fuel sales in order to provide a tax refund to another fuel seller or customer.

- For a minor adjustment (e.g. a calculation error between the attachment and the schedule for one fuel type) we can make the correction for you if you provide us with written instructions. Your instructions must be specific to the fuel types and sections of the return you are amending, and include “check values” (e.g. the revised taxable volumes for diesel, revised diesel security due, revised total amount of security due) to make sure the adjustments we make agree with the adjustments you requested.
- For errors that cover multiple years or periods, please email us at FuelTax@gov.bc.ca to determine if we can reduce the number of amended returns that need to be submitted.

Generally, if you file late or file an amended return that results in an underpayment for that period, you will be assessed interest unless there is sufficient credit on that account. If you file a second late or amended return within a 12 month period that results in an underpayment for that period, you may be assessed a 10% penalty plus interest unless there is sufficient credit on that account.

Fuel

Fuel Volumes

Accountable fuel volumes reported must be:

- Based on ownership and not possession
- Net volumes, which means temperature corrected to 15 degrees Celsius (contact us if this is not possible)
- Reported in litres and rounded to the nearest whole number (e.g. 1.49 becomes 1.0 and 1.50 becomes 2.0)
- More than zero (do not report negative volumes with the exception of Line 5 Rebrands and the schedule FTG/FTD-7 Tax Adjustments)
- Documented if there is a volume loss (shrinkage can only be determined and used in a calculation of untaxed inventory if a physical dipping occurs)

Accountable Fuels

Accountable fuels are any refined or manufactured fuel products available at a refinery, terminal, bulk plant or other storage location in the province for sale or resale during the reporting period. As a general rule, you must report any fuel that can be used in an internal combustion engine even if sold for a non-taxable purpose.

The table below provides some specific examples of accountable fuels and provides further explanations on how to report the fuel. If you are uncertain of how to report fuel, please contact us.

Accountable Fuel	How to report
Any fuel (e.g. diesel fuel or gasoline) that has not had a collector's specific additives mixed in, even though it might not be considered marketable from the collector's perspective.	Report under the most applicable fuel type column (e.g. diesel fuel or gasoline).
Any specific additives that will be mixed into a fuel (e.g. diesel fuel or gasoline) so that it becomes marketable from the collector's perspective.	Report the import or acquisition of the specific additives under Other Fuel – Non Taxable column. If it was blended with fuel during the reporting period, then report the movement of the additive volume to the applicable fuel type column it was blended with using Line 5 Rebrands (e.g. -100 litres of Non-Taxable fuel type column, +100 litres Diesel).

Accountable Fuel	How to report
<p>Any fuel sold for any use other than for an internal combustion engine (e.g. diesel sold as a feedstock for the manufacture of explosives or diesel sold as a lubricant).</p>	<p>If you sell a substance that is chemically identical to gasoline (e.g. solvent) or diesel (e.g. lubricant), motor fuel tax does not apply if you market or sell the substance for a use other than for an internal combustion engine. Use the applicable fuel type column (e.g. gasoline or diesel), do not re-label to the Other Fuel - Non Taxable column.</p> <p>You may sell these substances exempt from motor fuel tax, if you have a <i>Certificate of Exemption - Substances Sold for Use Other than in Internal Combustion Engines</i> (FIN 480) from your customer. Use Line 10 Exempt Sales, complete attachments ATT FTG/FTD 5 Exempt Sales, and schedules FTG/FTD 5 Exempt Sales (reason code 06 Other). However, 7% PST may apply to sales of these substances.</p> <p>For more information on how to label petroleum products if you are selling them exempt of motor fuel tax, see Bulletin MFT-CT 005, <i>Tax Rates on Fuels</i>.</p>

Accountable Fuel	How to report
<p>Any slop, interface, transmix and waste.</p> <p>Slop - any mixed hydrocarbon product(s) that are suitable for refining. Slop is re-processed through the refinery.</p> <p>Interface - the mixture or interface of two refined products such as gasoline and diesel fuel, or diesel fuel and jet fuel.</p> <p>Transmix – the buffer or interface that results from the mixing of two different accountable products in a pipeline shipment, and includes a mixture of two different products within a refinery that results in an off-grade product mix.</p> <p>Waste – a contaminated product which cannot be re-used, re-claimed, or re-processed, but must be disposed of as a waste or hazardous material.</p>	<p>If you do nothing with slop or transmix (i.e. hold in a separate storage tank) you simply continue to record as part of your Opening and Closing Untaxed Inventory under the applicable fuel type column. If you sell the slop, transmix or waste for use in an internal combustion engine, use Line 5 Rebrands to report the movement of the fuel volume(s) to the applicable fuel type column (e.g. a transmix of jet and diesel that you colour and sell as coloured diesel).</p> <p>If you sell slop, transmix or waste “as is” to a refinery for reprocessing or disposal of the fuel, under each applicable column/type of fuel use Line 11 Volume Adjustments and complete schedule FTD 6 (reason code 03 Slop). Alternatively, use Line 5 Rebrands to report the movement of the fuel volume(s) to one column/type of fuel (e.g. to Diesel - Other Fuel Non Taxable), and then use Line 11 Volume Adjustments and complete schedule FTD 6 (reason code 03 Slop).</p> <p>If you are a refinery owner and reprocess the volume, use Line 11 Volume Adjustments and complete schedule FTD 6 Volume Adjustments (reason code 03 Slop), for the slop portion of each fuel type. Alternatively, use Line 5 Rebrands to report the movement of the fuel volume(s) to the applicable fuel type column (e.g. to Diesel - Other Fuel Non Taxable), and then use Line 11 Volume Adjustments and complete schedule FTD 6 Volume Adjustments (reason code 03 Slop).</p> <p>Note: Line 12 Total Taxable Volumes for the Other Fuel – Non Taxable column, must be zero (0).</p> <p>When the fuels are reprocessed you report them again on the tax return using Line 2 Refined or Manufactured.</p>

Accountable Fuel	How to report
Methanol, if sold for use in an internal combustion engine.	Report as diesel fuel or gasoline. See the diesel and gasoline information in the next table if the volume of fuel sold contains at least 85% methanol (e.g. 85.1% methanol and 14.9% diesel).

Note: Natural gas including Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG) are not accountable fuels and do not need to be reported on this return. These fuels are exempt from motor fuel tax at the time of sale, and are exempt if used in a motor vehicle. However, you must self-assess if you use the fuel in a stationary combustion engine.

If you manufacture fuel in, or bring fuel into, BC for your own use, you must self-assess and pay motor fuel tax and/or carbon tax on that fuel. For more information, see [Bulletin MFT-CT 006](#), *Self-Assessing Motor Fuel and Carbon Tax*.

Reporting Fuel

The tables below identify the fuel types you must report by fuel type columns on the Summary Forms (FTD-TAX and the FTG-TAX). The tables provide some further explanation, where needed, of what the fuel type is and how to report the fuel in some situations. If you are uncertain of how to report a fuel type or use, please contact us.

Diesel and Related Products (FTD-TAX)	
Fuel Type	Other Information / How to Report
<p>Diesel Includes biodiesel blends, pure biodiesel and renewable diesel (these fuels are taxed at the same rate as diesel).</p>	<p>If you sell diesel fuel blended with at least 85% methanol (e.g. 85.1% methanol and 14.9% diesel) it is exempt from motor fuel tax. You use the Diesel fuel type column (do not report under the Other Fuel Non-Taxable column), and use Line 10 Exempt Sales, and complete attachments ATT FTD 5 Exempt Sales, and schedules FTD 5 Exempt Sales (reason code 06 Other).</p>

Diesel and Related Products (FTD-TAX)	
Fuel Type	Other Information / How to Report
<p>Coloured Diesel Diesel that has been correctly coloured to 14ppm.</p>	<p>If you are authorized to colour fuel and you colour diesel, (i.e. did not purchase coloured diesel), you report the movement of the fuel from the Diesel fuel type to the Coloured Diesel fuel type using Line 5 Rebrands (e.g. -100 litres of Diesel, +100 litres Coloured Diesel).</p> <p>If you sell coloured diesel for any purpose other than in an internal combustion engine, you report the exempt sale using Line 10 Exempt Sales (reason code 06 Other).</p>
<p>Heating Oil Light fuel oil (coloured diesel) marketed or sold for use in a furnace, boiler or open flame burner</p>	<p>If you are authorized to colour fuel and you colour heating oil, (i.e. did not purchase coloured heating oil) you report the movement of the fuel from either the Diesel or Coloured Diesel fuel type column to the Heating Oil fuel type column using Line 5 Rebrands (e.g. -100 litres of Coloured Diesel, +100 litres Heating Oil).</p> <p>All volumes of heating oil are exempt from motor fuel tax. If you sell heating oil, use Line 10 Exempt Sales and complete schedule FTD-5 Exempt Sales (reason code 06 Other). You do not need to list each sale of heating oil, but you must keep this information in case we ask for it later. Heating oil is subject to PST if sold to end consumers for a non-residential use.</p> <p>Note: Line 12 Total Taxable Volumes for the Heating Oil column must be zero (0).</p>

Diesel and Related Products (FTD-TAX)	
Fuel Type	Other Information / How to Report
<p>Marine Diesel Diesel fuel that is used in a ship as fuel for an internal combustion engine, and has a viscosity of:</p> <ul style="list-style-type: none"> ▪ lower than 10 centistokes when measured at a temperature of 50°C, or ▪ 10 centistokes or higher when measured at a temperature of 50°C, but is sold as diesel fuel 	<p>If you sell marine diesel you did not purchase, you report the movement of the fuel from the Diesel fuel type column to the Marine Diesel fuel type column using Line 5 Rebrands (e.g. -100 litres of Diesel, +100 litres Marine Diesel).</p>
<p>Jet Fuel Fuel that is produced specifically for use in an aircraft that is propelled by a turbine, and used in an aircraft as fuel for the turbine that propels the aircraft.</p>	<p>Generally, jet fuel is a stand-alone fuel type. However, occasionally jet fuel is blended with diesel (e.g. to make winter diesel for a motor vehicle). If you do this, you must move the fuel from the Jet Fuel type column to the fuel type column it is blended with using Line 5 Rebrands (e.g. -100 litres of Jet fuel, +100 litres Diesel).</p>
<p>Kerosene A substance similar to diesel and jet fuel but marketed or sold for uses other than in an internal combustion engine such as lanterns, camping stoves, and wick heaters.</p>	<p>Generally, kerosene is a stand-alone fuel type. However, occasionally it is blended with diesel to produce a higher quality fuel. If you sell kerosene for use in an internal combustion engine, you must move the fuel from the kerosene fuel type column to the fuel type column it is blended with using Line 5 <i>Rebrands</i> (e.g. -100 litres of Kerosene, +100 litres Diesel).</p> <p>If you sell kerosene for any purpose other than in an internal combustion engine, you report under the Kerosene fuel type column and report the exempt sale using Line 10 <i>Exempt Sales</i> (reason code 06 Other).</p>

Diesel and Related Products (FTD-TAX)	
Fuel Type	Other Information / How to Report
<p>Marine Bunker Fuel Bunker oil, or a combination of fuels including bunker oil that is used in a ship as fuel for an internal combustion engine, but does not include marine diesel fuel.</p>	<p>Generally, marine bunker is a stand-alone fuel type. However, occasionally it is blended with marine diesel to produce a higher quality fuel.</p> <p>If you blend marine diesel with marine bunker fuel, you must move the fuel from the Marine Diesel fuel type column to the fuel type column it is blended with using Line 5 Rebrands (e.g. -100 litres of Marine Diesel, +100 litres Marine Bunker Fuel).</p>
<p>Locomotive Fuel Fuel, other than propane, for use in an internal combustion engine in any rolling stock or other vehicle when run on rails.</p>	<p>If you sell locomotive fuel you did not purchase, you move the fuel from the Diesel fuel type column to the Locomotive Fuel type column using Line 5 Rebrands (e.g. -100 litres of Diesel, +100 litres Locomotive Fuel).</p>
<p>Other Fuel Taxable</p>	<p>Do not use as this is not used in BC.</p>
<p>Other Fuel – Non Taxable Substances such as feedstock and/or additives which are then blended.</p>	<p>Report the import or acquisition, and then use Line 5 Rebrands to move the volume to the fuel type column it was blended with using Line 5 Rebrands (e.g. -100 litres of Non-Taxable fuel type, +100 litres Diesel).</p>

Gasoline and Related Products (FTG-TAX)	
Fuel Type	Other Information / How to Report
<p>Gasoline Includes ethanol blended gasoline and pure ethanol (clear ethanol is taxed at the same rate as gasoline).</p>	<p>If you sell alcohol-based blends of gasoline that contain at least 85% methanol (e.g. 85.1% methanol and 14.9% gasoline), it is exempt from motor fuel tax. You use the Gasoline fuel type column (do not report under the Other Fuel Non-Taxable column), and use Line 10 Exempt Sales, and complete attachments ATT-FTG Exempt Sales, and schedules FTG-5 Exempt Sales (reason code 06 Other).</p>
<p>Coloured Gasoline Gasoline which has been correctly coloured to 14ppm.</p>	<p>If you are authorized to colour fuel and you colour gasoline, (i.e. did not purchase coloured gasoline), you move the fuel from the Gasoline fuel type column to Coloured Gasoline fuel type column using Line 5 Rebrands (e.g. -100 litres of Gasoline, +100 litres Coloured Gasoline).</p> <p>If you sell coloured gasoline for any purpose other than in an internal combustion engine, you report the exempt sale using Line 10 Exempt Sales (reason code 06 Other).</p>

Gasoline and Related Products (FTG-TAX)	
Fuel Type	Other Information / How to Report
Aviation Gasoline Fuel that is produced specifically for use in an aircraft that is not propelled by a turbine, and used in an aircraft as fuel for the engine that propels the aircraft.	Generally, aviation fuel is a stand-alone fuel type and never blended.
Propane	Propane includes Liquefied Petroleum Gas (LPG) and may also be referred to as autogas.
Other Fuel Taxable	Do not use as this is not used in BC.
Other Fuel – Non Taxable	Use this column to report substances, such as feedstock and/or additives which have been or will be blended (using Line 5 Rebrands) with an existing fuel type during the reporting period.

Completing the Summary Forms, Schedules and Attachments

Line 1 Opening Untaxed Inventory

Report your opening untaxed inventory directly on the Summary Forms FTD-TAX and FTG-TAX.

Opening inventory amounts must equal the closing inventories from your last reporting period.

Line 2 Refined or Manufactured within Jurisdiction

Report the total amount of fuel refined or manufactured within BC directly on the summary forms FTD-TAX and FTG-TAX. Use this line only if you are a collector with a refinery or manufacturing facility (e.g. biodiesel) physically located in BC.

If the fuel you refine or manufacture is to be relabeled or coloured before being sold, you must first report it on this line and then report it on Line 5 Rebrands (e.g. Line 2

Refined 10,000 litres of Diesel, Line 5 Rebrand; -10,000 litres Diesel, +10,000 litres Coloured Diesel).

Line 3 Imports from Out-of-Jurisdiction

This is a summary of the total amount of fuel you imported into BC. This includes fuel that is sold or transferred to you at, on or as it crosses the border into BC.

The only exception to reporting imported fuel is if the fuel was imported by a ship from outside of Canada and you sold fuel in prescribed volumes (e.g. more than 5 million litres for a liquid fuel) before the fuel was released by Canada Customs, or after it has been released by Canada Customs but before or at the time the fuel is removed from the ship on which it entered BC. In these situations, the business that causes the fuel to be released is now considered the collector and must report the import of that fuel. For more information, see [Bulletin MFT-CT 001](#), *Fuel Sellers*.

You cannot rebrand or relabel fuel or any interface or transmix that you created during the import process, and the imported fuel you report should match tax returns submitted to other jurisdictions (e.g. 100 litres of clear diesel you reported to BC as imported from Alberta, matches the 100 litres of clear diesel you reported to Alberta as exported to BC).

In all cases, identify the jurisdiction (i.e. province or state, or country if outside North America) where the type of fuel was exported from.

Report imports from out of jurisdiction by completing the following attachments and schedules.

Schedules FTG/FTD-1 Imports From Out of Jurisdiction

This is a summary of the total volume of fuel you refined or manufactured in other jurisdictions, or you owned in other jurisdictions and then imported (e.g. by pipeline, railcar, truck, ship or vessel) into BC.

Attachments ATT-FTG/FTD-1 Imports From Out of Jurisdiction

This transactional report supports the information recorded on schedules FTG/FTD-1.

You can find instructions at the bottom of the ATT-FTG/FTD-1. Here are some additional instructions:

- Federal Business Number is the seller's federal business number that was assigned by the Canada Revenue Agency

- Originating Jurisdiction is the province, or state, or country if outside North America
- City Where Ownership Changed is where the fuel was delivered to in BC

Line 4 Acquisitions within Jurisdiction

This is a summary of the total amount of fuel you purchased in BC. Acquisitions occur when there has been a change of ownership of identifiable inventory. Include fuel that is traded or swapped with another fuel seller, and fuel that has not yet been invoiced by a fuel supplier.

All fuel purchased in BC should be tax paid and you report it on Line 11 Volume Adjustments. You also complete FTG/FTD-6 (reason code 04 Tax Paid Purchases in BC) to ensure that this fuel is not taxed twice. The only exceptions to reporting on Line 11 are sales between refiner collectors, and effective March 1, 2016, purchases you make within BC where the fuel is subsequently exported for resale outside of the province by your fuel supplier or a common carrier. A contract with the common carrier for the removal of the fuel must be entered into at the time the fuel is purchased by you within BC. In both cases, the fuel is purchased tax exempt.

You must report a fuel purchase in the month in which it was purchased even if you do not receive an invoice or pay for the fuel until the following month.

Report acquisitions within BC by completing the following attachments and schedules.

Schedules FTG-2 and FTD-2 Acquisitions Within Jurisdiction

This is a summary of the total volume of fuel you acquired from other fuel suppliers within BC and includes all tax paid and tax exempt purchases.

Attachments ATT-FTG/FTD-2 Acquisitions Within Jurisdiction

This transactional report supports the information recorded on schedule FTG-2 and FTD-2.

Line 5 Rebrands

This is a summary of fuel you relabelled (e.g. clear diesel to locomotive), and fuel you coloured (e.g. clear diesel to coloured diesel or coloured heating oil).

Do not include the mixing of fuel as a rebrand if the fuel type does not change. For example, the mixing of regular and premium grades of clear gasoline to create a clear mid-grade gasoline is not rebranding as the type of fuel remains clear gasoline.

You cannot rebrand from a lower taxed fuel to a higher taxed fuel. For example, you cannot relabel locomotive fuel to clear diesel, or relabel heating oil to coloured diesel.

The only exceptions to this are blending small quantities of other fuels as additives. For example, jet fuel blended with clear diesel to sell as winter diesel, or butane blended with gasoline to sell as higher octane gasoline.

If you rebrand fuel, you must keep records to provide supporting documentation.

Report rebrands by completing the following schedules.

Schedules FTG/FTD-2.5 Fuel Blending, Colouring and Relabeling

This is a detailed summary of the total volume of fuel you relabeled and/or coloured and reclassified as another fuel type. The net result of Line 5 on the summary must always be zero (e.g. 100 litres clear diesel rebranded to 100 litres coloured diesel is recorded as -100 litres Diesel, and +100 litres Coloured Diesel).

Line 6 Closing Untaxed Inventory

Report the closing untaxed inventory directly on the Summary Form FTD-TAX and FTG-TAX.

Enter the total amount of untaxed inventory at the end of the reporting period of all fuel products within BC and include fuel in transit that you own, or are deemed to own, as inventory for resale. This includes any slop/transmix that you still own. Do not report negative volumes.

Note: If a fuel type on your return has a negative closing value, it is likely you have missed a fuel purchase or import.

You are deemed to own fuel at the end of a reporting period, if:

- you have entered into an agreement to buy fuel and the agreement provides that you own the fuel immediately after midnight at the end of a reporting period, even though you have not received delivery of the fuel at that time, and
- you have not entered into an agreement with another person that provides that the other person owns the fuel at that time.

You may only report fuel as untaxed if you are a collector that has manufactured or imported fuel into BC and not sold it within the reporting period. Do not include any fuel purchased in BC as untaxed inventory as it should all be tax paid. The only exceptions to this are untaxed sales between refiner collectors and effective March 1, 2016, purchases you make within BC where the fuel is subsequently exported for resale outside of the province by your fuel supplier or a common carrier but not exported within the reporting period. You determine the closing inventory by:

- a physical dipping of all untaxed fuel within storage tanks, or

- if a physical dipping is not done on a regular basis, the closing inventory can be the book volume which is calculated by working backwards from the sales system as all imports and purchases within BC, less the total volume sold, less other known volume losses (i.e. closing inventory equals the sum of Lines 1 + 2 + 3 + 4 + 5).

Closing inventory volumes must equal the opening untaxed inventories for your next reporting period.

Line 7 Total Accountable Volumes

The summary forms will automatically calculate the sum of the volumes reported on Lines 1 through Line 5, minus the volume reported on Line 6 (i.e. Line 7 Total Accountable Volume equals the total of lines 1 + 2 + 3 + 4 + 5 - 6).

Line 8 Exports Out-of-Jurisdiction

This is a summary of the total amount of fuel you own which is exported from BC for resale in another jurisdiction (i.e. your ownership of the fuel changes after the fuel is removed from BC). This includes fuel purchased within BC with tax paid and exported by you, and effective March 1, 2016, fuel purchased tax exempt and exported by your fuel supplier or a common carrier where the contract with the common carrier was entered into at the time you purchased the fuel. This summary does not include fuel you sell or transfer to a customer at, on or as it crosses the border leaving BC; these are considered sales in BC (not exports). In addition, this does not include fuel you sold within BC tax exempt that was subsequently exported for resale outside of the province by you, someone acting on your behalf, or a common carrier, for your customer.

If you sell fuel to a customer in BC, you must charge tax even if they intend to export the fuel. The only exceptions to this are sales between refiner collectors, sales to customers who have written authorization from the Director of MFTA to purchase a type of fuel exempt of tax, and effective March 1, 2016, sales within BC for resale outside of BC where the fuel is subsequently exported by you, a person acting on your behalf, or a common carrier where the contract with the common carrier was entered into at the time you sold the fuel. In these situations the sales should be reported as a disposition to fuel sellers for export on Line 9, not as exports on Line 8, and not as exempt sales on line 10.

You cannot rebrand or re-label fuel during the export process, and the exported fuel must match tax returns submitted to other jurisdictions (e.g. 100 litres of clear diesel you reported to BC as exported to Alberta, must match the 100 litres of clear diesel you reported to Alberta as imported from BC).

In all cases, you must identify the jurisdiction (i.e. province or state, or country if outside North America) where the fuel was exported and then sold.

Report fuel exported from BC by completing the following attachments and schedules.

Schedule FTG/FTD-3 Exports Out-of-Jurisdiction

This is a summary of the total volume of fuel you export by pipeline, truck, rail, ship or any other vessel. Include intra-company exports and exports made directly to a consumer (sometimes called migratory sales).

Attachment ATT-FTG/FTD-3 Exports Out-of-Jurisdiction

This transactional report supports the information recorded on FTG/FTD-3.

You can find instructions at the bottom of the ATT-FTG/FTD-3.

Line 9 Dispositions within Jurisdiction Between Refiner Collectors, to Registered Consumers, and to other Fuel Sellers for Export

This is a summary of the total amount of fuel sold exempt of tax within BC by:

- refiner collectors to refiner collectors,
- collectors to registered consumers (i.e. international air and interjurisdictional rail), and
- effective March 1, 2016, collectors to other fuel sellers for export where the conditions for exemption have been met.

This volume includes fuel which is traded or swapped between refiner collectors and fuel sold to a registered consumer, or to another fuel seller for export and resale outside the province even if the fuel has yet to be invoiced to the customer.

Refiner collectors may use Line 9 only if they are a refiner collector for that type of fuel and sell that fuel to another refiner collector who is also a refiner collector for the same type or subcategory of a type of fuel sold. For example, a company who is a refiner collector for clear diesel may sell clear diesel to another collector in BC without paying security to us, if that collector is also a refiner collector for clear diesel.

All collectors may use Line 9 if they are making exempt sales to registered consumers. Registered consumers are eligible to purchase certain fuels exempt of tax and self-assess based on taxable use in BC. There are only two types of registered consumers:

- **Interjurisdictional Rail** – for locomotive fuel
- **International Air** – for jet fuel

All collectors may use Line 9 if they make exempt sales to another fuel seller who intends to sell the fuel outside of BC if the fuel is sold to them (the other fuel seller) within BC and is subsequently exported by:

- you (the collector selling the fuel),

- a person acting on your behalf, or
- a common carrier if the contract with the common carrier for the removal of the fuel is entered into at the time the fuel is sold within BC.

Report these exempt sales in BC by completing the following attachments and schedules.

Schedules FTG/FTD-4 Dispositions Within Jurisdiction Between Refiner Collectors, to Registered Consumers, and to other Fuel Sellers for Export

Report all exempt fuel sold between refiner collectors within BC. The delivery or supply of fuel must originate and terminate within BC.

Report all exempt fuel sold by collectors to registered consumers (i.e. international air and interjurisdictional rail). The delivery or supply of fuel must originate and terminate within BC.

Report all fuel sold exempt by you to other fuel sellers for export when the fuel sold within BC is exported by you, a person acting on your behalf, or a common carrier for resale outside BC, if the contract with the common carrier for the removal of the fuel has been entered into at the time the fuel is sold within BC.

Attachments ATT-FTG/FTD-4 Dispositions Within Jurisdiction Between Refiner Collectors, to Registered Consumers, and to other Fuel Sellers for Export.

This transactional report supports the information recorded on schedules FTG/FTD-4.

You can find instructions on the bottom of the ATT-FTG/FTD-4.

Line 10 Exempt Sales

This is a summary of the total fuel you sold exempt of tax within BC, excluding exempt sales reported on Line 9 above.

Note: The federal, provincial and municipal governments are not exempt and must pay motor fuel tax.

Report the exempt fuel sold by completing the following attachments and schedules (using the reason codes provided below).

Schedules FTG/FTD-5 Exempt Sales

Report exempt sales using the following reason codes:

Reason Code	Details
01 Eligible First Nations	<p>You may sell fuel exempt to eligible First Nations individuals and bands under specific circumstances.</p> <p>For information, see Bulletin MFT-CT 002, <i>Sales to First Nations and the Exempt Fuel Retailer Program</i>.</p>
02 Exempt Fuel Retailers	<p>Exempt Fuel Retailers (EFRs) are fuel sellers who operate on First Nations land and have received authorization from the ministry to purchase gasoline, diesel, and/or propane exempt of motor fuel tax.</p> <p>For more information, see Bulletin MFT-CT 002, <i>Sales to First Nations and the Fuel Tax Exemption Program</i>.</p>
03 Farmers	<p>You may sell coloured fuel to bona fide farmers exempt of motor fuel tax in certain situations.</p> <p>For more information, see Bulletin MFT-CT 003, <i>Coloured Fuels</i>.</p>
04 Registered Consumers	<p>Do not use this reason code (see Line 9).</p>
05 Diplomats	<p>As a general rule, you should sell only clear gasoline and diesel exempt of tax to diplomats.</p> <p>For more information, see Bulletin CTB 007, <i>Exemption for Members of the Diplomatic and Consular Corps</i>.</p>

Reason Code	Details
06 Other	<p>Use this code to report other exempt sales not reported elsewhere. For example, fuels sold for purposes other than for use in an internal combustion engine (i.e. used as a lubricant for down-hole drilling, used for manufacturing explosives, and heating oil).</p> <p>For more information on selling substances which are chemically the same as fuels but exempt from motor fuel tax, see Bulletin MFT-CT 005, <i>Tax Rates on Fuels</i>.</p> <p>Also, use this code for specific fuel types having a zero tax rate (e.g. coloured heating oil, and bunker fuel, which is used in internal combustion engines but not subject to motor fuel tax).</p> <p>Do not use this code to report exempt sales of slop, interface and transmix (see Line 11 Volume Adjustments).</p>
07 Marine Diesel	<p>You may sell marine diesel exempt of tax for use in a turbine engine that propels a commercial passenger or cargo ship.</p> <p>Effective April 1, 2018, you may also sell marine diesel exempt of tax for use in an interjurisdictional cruise ship, or marine diesel for use in a ship prohibited from coasting trade under the <i>Coasting Trade Act</i> (Canada).</p> <p>For more information, see Bulletin MFT-CT 005, <i>Tax Rates on Fuels</i>.</p>

Attachments ATT FTG/FTD 5 Exempt Sales

This transactional report supports the information recorded on schedules FTG/FTD 5. You can find instructions on the bottom of the ATT FTG/FTD 5.

Line 11 Volume Adjustments

This is a summary of the volume adjustments for each fuel type. Include fuel losses at terminals located within the reporting jurisdiction.

Use this line to report adjustments that can only be reported by volume (litres). Use Line 14 for adjustments that can only be shown and deducted as a monetary adjustment.

Report volume adjustments by completing the following schedules.

Schedules FTG/FTD-6 Volume Adjustments

You report volume adjustments to:

- reduce the amount of tax owing (entered as a positive value), or
- increase the amount of tax owing (entered as a negative value).

You must provide acceptable supporting documentation and a satisfactory explanation for a volume adjustment or the adjustment will be reversed.

Report volume adjustments using the following reason codes:

Reason Code	Details
01 Shrinkage/Overage	<p>You generally do not use this reason code since fuel sold in BC is temperature corrected.</p> <p>You determine this form of volume change only by physically dipping tanks and doing a reconciliation (e.g. booked volume vs. empty tank). You do not need to provide supporting documentation but you must keep it in case we ask for it later.</p> <p>BC does not have a set percentage that you may claim (e.g. an allowance versus an actual physical reconciliation).</p>
02 Spillage	<p>You must provide supporting documentation with the return (e.g. police or accident reports, insurance claims and disposal records).</p>
03 Slop, Interface or Transmix	<p>You do not need to provide supporting documentation but you must keep it in case we ask for it later.</p>
04 Tax-Paid Purchases in BC	<p>You must report tax-paid purchases in the month in which the fuel was purchased even if you do not receive an invoice or pay for the fuel until the following month. You do not need to provide supporting documentation (e.g. invoices) but you must keep it in case we ask for it later.</p>

Reason Code	Details
05 Other	<p>Use this code to report other volume adjustments not reported elsewhere. For example, you may include volume losses for theft and fraudulent transactions. Do not include bad debts as this is reported on Line 14.</p> <p>You must provide supporting documentation with the return (e.g. police reports and insurance claims).</p>
06 Waste	<p>You do not need to provide supporting documentation but you must keep it in case we ask for it later.</p>

Line 12 Total Taxable Volumes

Calculate the total taxable volumes for each fuel type subject to tax by deducting the sum of Lines 8 through to 11 from Line 7 (i.e. Line 12 Total Taxable Volume equals Line 7 less the sum of Lines 8 + 9 +10 +11).

Line 12 should be zero (0) for any column or fuel type having a zero tax rate, such as Heating Oil, Non-Taxable Diesel, Non-Taxable Gasoline, Kerosene and Bunker Fuel. Report sales of these fuels on Line 10 Exempt Sales and complete the related schedules and attachments (reason code 06 Other).

Line 13 Total Tax before Adjustments

The summary automatically calculates the tax for each fuel type by multiplying Line 12 Total Taxable Volumes by the current applicable tax rate for each fuel.

Line 14 Adjustments and Tax Credits

This is a summary of tax adjustments for each fuel type.

Use this line for adjustments that can only be shown and deducted as a monetary adjustment. Use Line 11 Volume Adjustments to report adjustments that can only be reported by volume (litres).

Note: Dollar values must be in Canadian currency and to two decimal places.

Enter tax adjustments to reduce tax owing as a positive value, and tax adjustments to increase the tax owing as a negative value.

You must provide acceptable supporting documentation and a satisfactory explanation for a volume adjustment or the adjustment will be reversed. Report adjustments and tax credits by completing the following schedules.

Schedules FTG-/FTD-7 Tax Adjustments

To report adjustments and tax credits, use the following reason codes:

Reason Code	Details												
01 No longer in use	Do not use this reason code.												
02 Overflow Sales – Reversal	<p>Use this reason code only if you used reason code 03 in the previous return. The volume you report under this code must be exactly the same as the volume under reason code 03 (see example under reason code 03 below). You must enter a positive number to net out the additional tax remitted in the previous return.</p> <p>You must submit an amended return if you determine that your actual sales are greater than the estimated sales reported under reason code 03 on your last return (i.e. you did not estimate a large enough volume and you under paid taxes on your previous return).</p>												
03 Overflow Sales Estimate	<p>Use this reason code if you have a system reporting issue and estimate that your actual sales are greater than what your system is reporting. Use this reason code to remit additional taxes and avoid a potential underpayment, and any resulting penalty and interest charges.</p> <p>You must enter a negative number to remit additional tax.</p> <p>Example:</p> <table border="1" data-bbox="545 1274 1330 1503"> <thead> <tr> <th></th> <th>January</th> <th>February</th> <th>March</th> </tr> </thead> <tbody> <tr> <td>03 Estimate</td> <td>-100</td> <td>-125</td> <td></td> </tr> <tr> <td>02 Reversal</td> <td></td> <td>+100</td> <td>+125</td> </tr> </tbody> </table> <p>If you are estimating or reversing overflow sales in:</p> <ul style="list-style-type: none"> ▪ Vancouver area (South Coast British Columbia transportation service region) – you report the tax amount as follows: <ul style="list-style-type: none"> • <i>South Coast British Columbia Transportation Tax Return (FIN 427)</i> on Line 8 and on Line 4 (under Provincial Fuel Tax Return Adjustment), and • FTG-7 and FTD-7 Tax Adjustments (reason code 06 SCTT adjustment) 		January	February	March	03 Estimate	-100	-125		02 Reversal		+100	+125
	January	February	March										
03 Estimate	-100	-125											
02 Reversal		+100	+125										

Reason Code	Details
	<ul style="list-style-type: none"> ▪ Victoria area (British Columbia Transit Authority) – you report the tax amount as follows: <ul style="list-style-type: none"> • <i>British Columbia Transit Tax Return (Victoria)</i> (FIN 450) on Line 8 Authorized Adjustments • FTG-/FTD-7 Tax Adjustments (reason code 6 SCTT adjustment) ▪ Rest of BC - you report the tax amount on FTG/FTD-7 Tax Adjustments (reason code 6 SCTT adjustment). <p>You do not have to provide supporting documentation but you must keep it in case we ask for it later.</p>
04 Bad Debt Write-Offs	You must provide supporting documentation for a financial adjustment. See Bulletin CTB 001 , <i>Bad Debts</i> .
05 Tax Code Error	You must provide supporting documentation for a financial adjustment.
06 SCTT Adjustment	<p>This adjustment is for sales made within the Vancouver Area (South Coast British Columbia Transportation service region) where the provincial portion of the motor fuel tax rate is lower.</p> <p>Transfer to this reason code any gasoline and diesel provincial fuel tax adjustment amounts from Line 5 of the Provincial Fuel Tax Return Adjustment section on <i>South Coast British Columbia Transportation Tax Return</i> (FIN 427).</p> <p>See Bulletin MFT-CT 005, <i>Tax Rates on Fuels</i>.</p>
07 Other	You must provide supporting documentation for a financial adjustment.

Line 15 Allowance for Shrinkage

Do not use this line as it is not used in BC. Report any physical losses on Line 11 Volumes Adjustments (reason code 01) and complete the related schedules and attachments.

Line 16 Commission or Other Allowances

This is a summary of the commission for each fuel type you sell for the first time in BC after manufacture or import into BC for which you will be paying security to BC.

The commission is calculated automatically by multiplying the net of Line 12 Total Taxable Volumes for the tax return Summary Forms (FTD-TAX and FTG-TAX) by \$0.00022.

The maximum commission is \$10,000 per fiscal year. Commission totals are based each year on return periods from April (for March sales activity) to the following March (for February sales activity).

If you are a registered consumer, you are not eligible to claim any commission.

If you are a collector, you are not eligible to claim commission on fuel:

- Purchased in BC security-in
- Sold exempt of tax (e.g. heating oil or bunker fuel)
- Sold to exempt purchasers (e.g. to an eligible First Nations individual or resold outside BC)
- That you used (i.e. manufactured or imported and did not sell)

Commission is disallowed if:

- Your return or payment is late or underpaid
- You did not submit all required tax returns, schedules or attachments

If you used fuel (i.e. manufactured or imported and did not sell), you must complete the Less: Own Consumption line in FTG/FTD-8 Schedule for Commissions.

Line 17 Net Tax Payable

Calculate the tax payable for each fuel product by deducting the sum of Lines 14 to Line 16 from Line 13 and recording the difference on Line 17 (i.e. Line 17 Net Tax Payable equals Line 13 -14 -16).

Additional Tax Returns

In addition to the generic motor fuel tax return, you may be required to submit the following tax returns:

- *South Coast British Columbia Transportation Tax Return (FIN 427)*– if you sell fuel within the Vancouver area
- *British Columbia Transit Tax Return (Victoria) (FIN 450)* – if you sell fuel within the Victoria area
- *Collector Carbon Tax Return (FIN 175)*

These returns are available online using [eTaxBC](#), or on our [website](#). For more information, see [Bulletin MFT-CT 001, Fuel Sellers](#).



Need more info?

Online: gov.bc.ca/salestaxes

Email: FuelTax@gov.bc.ca

Toll free: 1 877-388-4440

Fax: 250-387-5882

Latest Revision

September 2018

- Added information about:
 - volume adjustments for tax-paid purchases in BC
 - marine diesel in the Exempt Sales section
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