

# Ministry of Finance

## Tax Bulletin



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Bulletin MFT 002

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## Motor Fuel Tax Refunds for Purchasers

### *Motor Fuel Tax Act*

Latest Revision: The revision bar ( | ) identifies changes to the previous version of this bulletin dated January 2013. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin explains when fuel purchasers may be eligible for a refund of motor fuel tax paid and how to claim a refund.

For information on refunds for Deputy Collectors and Retail Dealers, see [Bulletin MFT-CT 007](#), *Refunds for Deputy Collectors and Retail Dealers*.

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## Overview

You are a **purchaser** if you buy, or receive delivery of, fuel in BC for your own use. You must pay motor fuel tax, unless an exemption applies.

You may apply for a refund of motor fuel tax if you:

- paid motor fuel tax in error, (i.e. there is no legal obligation for you to pay the motor fuel tax),
- overpaid motor fuel tax, (e.g. you paid more motor fuel tax than you should have because of an error in calculation), or

- correctly paid motor fuel tax at the time of purchase, but you are a person who qualifies for a refund (see below).

## **Refunds for Individuals**

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### **Persons with Disabilities**

If you are a person with a qualifying disability, you may apply for a refund of motor fuel tax you paid on clear fuel you purchased in BC for your vehicle. The maximum refund is \$500 per calendar year.

You must meet the qualifications and first **register** with us before claiming a refund. To obtain a refund you must submit original fuel receipts showing the date of purchase, type of fuel and number of litres purchased, and the name and address of the fuel seller. For more information, to see if you qualify and how to register, see [Bulletin MFT 004](#), *Fuel Tax Refund for Persons with Disabilities*.

### **Propane for Residential Use**

If you purchased propane for residential use and you paid motor fuel tax, you may apply for a refund.

For more information and to see if you qualify, see [Bulletin MFT 014](#), *Propane Exemptions*.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax Purchaser of Fuel* ([FIN 147](#)).

### **Private Passenger Diesel Vehicles**

If you purchased diesel in BC for use in your private passenger vehicle, you may apply for a refund of 0.5¢ per litre (the difference between the diesel tax rate and the gasoline tax rate). This puts non-commercial users of diesel fuel on an equal footing with users of gasoline.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* ([FIN 147](#)).

## **Refunds for Business Purposes**

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### **Logging and Mining Industries**

If you travel both on- and off-highway, you must use clear fuel. However, you may apply for a motor fuel tax refund of the difference between the clear and coloured fuel tax rates for the portion of the fuel consumed off-highway if you operate specified vehicles for specified purposes in the logging or mining industry (see [Bulletin MFT-CT 003, Coloured Fuels](#)).

The following fuel purchases do not qualify for a refund:

- coloured fuel,
- out-of-province purchases,
- fuel purchased and used during periods when no lumber or logs are hauled, or when no minerals are transported, such as in the off-season,
- fuel purchased for non-qualifying vehicles, such as pickup trucks, and
- purchases of less than 100 litres, unless the use is fully explained (otherwise they are deemed to be for a non-qualifying use).

To apply for a refund, complete an *Off-Highway Refund Application* ([FIN 141](#)). For information on how to complete the application form, see the instructions on page one of the form.

### **Oil and Gas Industry**

If you travel both on-and off-highway, you must use clear fuel. However, you may apply for a motor fuel tax refund of the difference between the clear and coloured fuel tax rates for the portion of the fuel consumed off-highway if you operate specified vehicles to transport qualifying supplies and equipment to oil and gas exploration and drilling sites (see [Bulletin MFT-CT 003, Coloured Fuels](#))

The following fuel purchases do not qualify for a refund:

- coloured fuel,
- out-of-province purchases, and
- fuel purchased for non-qualifying vehicles, such as pickup trucks.

To apply for a refund, complete an *Off-Highway Refund Application* ([FIN 141](#)). For information on how to complete the application form, see the instructions on page one of the form.

## International Flights

If you are a commercial air service, you may apply for a refund of motor fuel tax you paid on jet fuel you purchased in BC and used for an international flight.

An international flight is a flight that begins in BC and ends outside of Canada (e.g. Vancouver to New York, or begins outside of Canada and ends in BC (e.g. New York to Vancouver).

To apply for a refund, complete the *Application for a Refund of Motor Fuel Tax – Purchaser of Fuel* ([FIN 147](#)).

You may be eligible to apply for registration as a registered consumer if you are an international air service. A registered consumer is authorized to purchase specific types of fuel without paying motor fuel tax at the time of purchase in BC.

For more information, see [Bulletin MFT-CT 004](#), *Registered Consumers*.

## Motive Fuel User Permit (MFUP) for IFTA Commercial Vehicles

You may apply for a refund if the amount of the deposit you paid for a MFUP, plus the amount of motor fuel tax you paid for fuel you used in the vehicle during the permit period, exceeds the motor fuel tax due on the fuel you used in BC during the permit period.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* ([FIN 147](#)).

**Note:** A refund cannot exceed the amount of the deposit and we cannot issue a refund of less than \$10.

For more information about MFUPs and IFTA commercial vehicles, see [Bulletin MFT-CT 008](#), *International Fuel Tax Agreement and Motive Fuel User Permits*.

## Farmers

If you are a farmer, you may apply for a refund of motor fuel tax you paid on coloured fuel purchased in BC for use in the operation of a farm. For information about the authorized uses of coloured fuel, see [Bulletin MFT-CT 003](#), *Coloured Fuels*.

You may also apply for a refund of motor fuel tax paid on clear fuel purchased in BC if you used that fuel in a truck with a farm licence plate (also known as an A or G plate) while operating internationally for a farm purpose (e.g. travel to the United States to deliver your farm product to a customer). This refund allows farmers the same preferential tax treatment they receive in BC while travelling for a farm purpose in

jurisdictions that do not allow the use of coloured fuel on highways such as Washington State, Idaho and Montana.

You may apply for a refund of motor fuel tax paid on propane purchased in BC for qualifying farm purposes. For more information and to see if you qualify, see [Bulletin MFT 014 Propane Exemptions](#).

To apply for a refund for any of the situations described above, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* ([FIN 147](#)).

## Stationary Engines

You may apply for a refund of the difference between the clear and coloured fuel tax rates on clear fuel when you use clear fuel in a motor vehicle while the vehicle is stationary and the engine operates equipment for the purpose of any of the following:

- rotating the drum of a ready-mixed concrete truck or pumping ready-mixed concrete,
- pumping or dispensing liquids or other materials, such as water, milk, flour, syrups, fertilizers and fuel, to or from a commercial motor vehicle (this does not include the use of a hydraulic arm, unless it is on a logging truck, or a hydraulic cylinder),
- operating a drilling unit that is operated by a power take-off unit,
- operating a mobile crane,
- operating a hydraulic arm mounted on a logging truck, or
- operating temperature-control equipment to preserve goods in an insulated cargo box on a commercial motor vehicle. The vehicle engine must be used to operate the temperature-control equipment for a significant period, such as when parking overnight.

If your motor vehicle has multiple engines but a single fuel tank, you may apply for a refund of the fuel used to operate the engine that operates equipment for the purposes above, while the vehicle is stationary.

For more information, see [Bulletin MFT 013, Refunds for the Ready-Mixed Concrete Industry](#)

To apply for a refund, complete the *Stationary Engine Refund Application* ([FIN 159](#)).

## Refunds- Other

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### First Nations Individuals and Governments

Under the *Indian Act* (Canada), sales to eligible First Nations purchasers on First Nations land are exempt of tax. If you are an eligible First Nations purchaser or a First Nations government and a fuel seller charges motor fuel tax on your purchase of fuel on First Nations land, you may apply for a refund.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* ([FIN 147](#)).

For more information on who is eligible for this exemption, see [Bulletin MFT-CT 002](#), *Sales to First Nations, and the Exempt Fuel Retailer Program*.

### Treaty First Nations Governments

Currently, the following First Nations governments have a treaty in effect with Canada and BC that sets out a unique taxation structure:

Effective Date of Treaty	First Nations Government or Government Entity
May 11, 2000	Nisga'a Lisims Government Nisga'a Village Governments Other Government Entities of the Nisga'a Nation See <a href="#">Nisga'a Nation Taxation Agreement</a> and <a href="#">Amendment Agreement</a>
April 3, 2009	Tsawwassen First Nation Government and Government Entities See <a href="#">Tsawwassen First Nation Tax Treatment Agreement</a> and <a href="#">Amendment Agreement</a>
April 1, 2011	Maa-nulth First Nations and Government Entities which include the following distinct Treaty Governments: <ul style="list-style-type: none"><li>▪ Huu-ay-aht First Nations</li><li>▪ Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations</li><li>▪ Toquaht Nation</li><li>▪ Uchucklesaht Tribe</li><li>▪ YuułuꞀiꞀꞀath (legally Ucluelet First Nation)</li></ul> See <a href="#">Maa-nulth First Nations Tax Treatment Agreement</a> and <a href="#">Amendment Agreement</a>

Effective Date of Treaty	First Nations Government or Government Entity
April 5, 2016	Tla'amin (Sliammon) First Nation and Government Entities See <a href="#">Tla'amin Tax Treatment Agreement</a>

**Treaty First Nations governments may apply for a refund of motor fuel tax under certain circumstances. For more information, see the agreements listed in the above table.**

To apply for a refund, send us a letter requesting a refund along with supporting documents. For the Nisga'a Nation, complete the *Application for Refund of Motor Fuel Tax Pursuant to the Motor Fuel Tax Act and Nisga'a Nation Taxation Agreement* ([FIN 413 NNMFT](#)).

### **Visiting Forces or Members of the Diplomatic and Consular Corps**

Visiting forces may purchase fuel exempt of motor fuel tax if they use the fuel in connection with their official duties.

Members of the diplomatic and consular corps may purchase fuel exempt of motor fuel tax.

If you are a visiting force or a member of the diplomatic or consular corps, and a fuel seller charges motor fuel tax at the time of purchase, you may apply for a refund.

To apply for a refund, complete the *Application for Refund of Motor Fuel Tax - Purchaser of Fuel* ([FIN 147](#)).

## **General Information and Requirements for Refund Claims**

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The following general information and requirements apply to refund claims.

- The person who paid the motor fuel tax must sign the refund application. If the person who paid the motor fuel tax is a corporation, a director or authorized employee of the corporation must sign the refund application.
- You must apply separately for a refund of carbon tax you paid on the same fuel if you are also eligible for a carbon tax refund. For more information, see [Bulletin CT 002, Carbon Tax Refunds for Purchasers](#).
- You must keep all your records and documents in BC for **five** years.

## How to Apply for a Refund

You apply for a refund using the applicable refund application (or letter) outlined above.

Send your refund application and supporting documentation to:

Ministry of Finance  
Refund Section  
PO Box 9628 Stn Prov Govt  
Victoria BC V8W 9N6

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

Your refund claim must be received by us within four years of the date you paid the tax. For example, if you paid the tax on August 11, 2013, we must receive your refund claim by August 11, 2017.

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



### **Need more info?**

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

Toll free in Canada: 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**

October 2016

- Added information on motor fuel tax refunds for propane for residential use
  - Added detailed information on motor fuel tax refunds for the logging and mining industries
  - Added information about who can claim a refund
  - Deleted expired refund provision for international cargo flights
  - Added detailed information on motor fuel refunds for farmers
  - Added information about motor fuel tax refunds for Maa-nulth First Nation and Tla'amin (Sliammon) First Nation government entities
  - Corrected the date in the refund example that explains when a refund claim must be received
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