

Ministry of Finance

Tax Notice



ISSUED: February 2015 REVISED: May 2015

Notice 2015-001

gov.bc.ca/consumertaxes

Notice to Retail Dealers

Motor Fuel Tax Act

Latest Revision: *This notice has been completely rewritten and replaces the previous version dated February 2015.*

Effective July 1, 2015, you must obtain a completed and signed copy of the *Coloured Fuel Certification* ([FIN 430](#)) before you sell coloured fuel, marine diesel or locomotive fuel to a purchaser for their own use:

- through a cardlock, including at a terminal rack or bulk plant, or
- in an amount greater than 45 litres.

The certification must be completed by the purchaser to certify that they will use the coloured fuel, marine diesel or locomotive fuel only for an authorized use.

You do not need to obtain this certification if you:

- transfer the fuel directly into the supply tank of a ship that is on or in the water,
- sell the fuel to a farmer that has provided you a completed and signed *Certificate of Exemption – Farmer* ([FIN 458](#)), or a copy of their valid Farmer Identity Card issued by the BC Agricultural Council, or
- sell the fuel to a purchaser for resale (they must be an authorized coloured fuel seller to purchase coloured fuel for resale).

For information on authorized uses of coloured fuel and on sales of coloured fuel to qualifying farmers, see [Bulletin MFT-CT 003](#), *Coloured Fuels*.

New Customers

If the certification is required, you must obtain the certification from your customer before you sell them coloured fuel, marine diesel or locomotive fuel. You must keep the completed certification on file. You may make additional sales of the fuel to your customer based on this certification if:

- the information on the certification is current, and
- you can link each sale to the certification (e.g. by an account or reference number).

Existing Customers

Effective July 1, 2015, the new *Coloured Fuel Certification* (FIN 430) replaces the previous *Coloured Fuel Account Certification* (FIN 438).

If you have a *Coloured Fuel Account Certification* form (FIN 438) on file for a customer, you may continue to make sales of coloured fuel based on the *Coloured Fuel Account Certification* form (FIN 438) up to September 30, 2015. However, the information on the *Coloured Fuel Account Certification* form (FIN 438) must be current and you must be able to link each sale to the *Coloured Fuel Account Certification* form (FIN 438) on file (e.g. by an account or reference number).

Please note: Effective July 1, 2015, you must obtain a new *Coloured Fuel Certification* (FIN 430) before making sales of clear marine diesel or locomotive fuel, even if you have a *Coloured Fuel Account Certification* form (FIN 438) on file for a customer.

Consequences for Not Obtaining the Certification

If a certification is required and you have not obtained one from your customer, you must collect motor fuel tax on the sale of coloured fuel, marine diesel or locomotive fuel at the clear motor fuel tax rate (i.e. the same rate as clear gasoline or clear diesel), not at the 3 cents per litre rate. For more information on motor fuel tax rates, see [Bulletin MFT-CT 005, Tax Rates on Fuels](#).

If the tax you collect is greater than the security you paid on the fuel, you must remit the additional tax using the *Motor Fuel Tax Return Self Assessors* (FIN 135).

If you sell coloured fuel, marine diesel or locomotive fuel without obtaining the required documentation and you do not collect and remit motor fuel tax at the clear motor fuel rate, you may be subject to a penalty equal to the difference between the tax you collected and the tax you were required to collect, as well as additional penalties and interest.

If You Colour Fuel

If you purchase clear fuel, colour it and sell the coloured fuel at the coloured fuel rate, without obtaining the required certification from your customer, you may not be eligible for a refund of the difference between the security you paid on the clear fuel and the tax you collected on the coloured fuel.

For information on collecting and remitting motor fuel tax, see [Bulletin MFT-CT 001, Fuel Sellers](#).

Refunds for Purchasers

Purchasers of coloured fuel that pay motor fuel tax at the clear fuel rate, may be eligible for a refund of the difference between the tax they paid and the coloured fuel tax rate if they use the coloured fuel for an authorized use. For information on applying for a refund, see [Bulletin MFT-CT 003](#), *Coloured Fuels*.

Authorized Uses of Coloured Fuel

Effective July 1, 2015, the authorized uses of coloured fuel are expanded to include use in a locomotive.

Further Information

If you have any questions, please call us toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

Access our forms, publications, legislation and regulations online at gov.bc.ca/consumertaxes (go to [Motor Fuel Tax and Carbon Tax](#) and then [Forms](#) or [Publications](#)).

Subscribe to our [What's New](#) page to receive email updates when new information is available.

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