

## Notice to Deputy Collectors and Retail Dealers

### Fuel Inventory

*Carbon Tax Act*

#### Overview

Effective **April 1, 2018**, the carbon tax rates that apply to fuels in BC will increase. For a complete list of the fuels subject to carbon tax and their tax rates, see [Carbon Tax Rates by Fuel Type](#).

This notice explains your responsibilities as deputy collectors (wholesale dealers) and retail dealers for calculating and paying the additional security due on your fuel inventory. **This notice does not apply to natural gas sellers.**

You are a deputy collector or retail dealer for fuel purchased in BC for resale on which you have paid, or will be paying, security to your supplier as required under the *Carbon Tax Act*.

#### Fuel Inventory as of April 1, 2018

If you are a deputy collector or retail dealer for fuel you must determine the amount of fuel you own at 12:01 am on April 1, 2018, and report it as inventory and pay the additional security due on that inventory. You must include all fuel you own, or are deemed to own, for resale purposes.

You are deemed to own fuel at 12:01 am on April 1, 2018, if:

- you entered into an agreement to buy fuel (at the lower tax rate) and the agreement provides that you own the fuel at 12:01 am on April 1, 2018,
- you have not received delivery of the fuel before that time, and
- you have not entered into an agreement with another person that provides the other person owns the fuel on April 1, 2018.

You are also deemed to own fuel at 12:01 am on April 1, 2018, if:

- you are a retail dealer and you entered into an agreement to sell fuel to an end purchaser before April 1, 2018, and
- the purchaser has not received delivery of the fuel before April 1, 2018.

**Note:** If you entered into an agreement to sell fuel (at the lower tax rate) to another fuel seller and the agreement provides they own that fuel at 12:01 am on April 1, 2018, you do not report that fuel even if you have not delivered that fuel to the other fuel seller before that time. In this case, the buyer reports the volume on their inventory return.

### **Paying security**

You must pay as security an amount equal to the difference between the carbon tax rates in effect before April 1, 2018 and the carbon tax rates that take effect on April 1, 2018, multiplied by the volume of inventory on hand at 12:01 am on April 1, 2018.

### **Allowance for reporting inventory**

You are entitled to an inventory allowance of \$250 for calculating and reporting the fuel inventory you own, or are deemed to own, for resale purposes, provided you:

- file your inventory return and make any payment due on or before the due date, and
- have fuel inventory and the capacity to store at least 1,000 litres of fuel.

You deduct this inventory allowance from the additional security you owe and pay the remaining amount of security to us.

If the amount of additional security you owe is less than \$250, you are entitled to a refund of the difference between the amount owing and the \$250 allowance. We cannot issue a refund of less than \$10.

If you do not have any security paid fuel or fuel on which you will be paying security, you are **not** required to submit an inventory return and are **not** eligible for the inventory allowance.

### **Filing the inventory return**

You use the *Carbon Tax Return - Inventory* form ([FIN 103](#)) to calculate and report your inventory and the amount of additional security due. If you own, or are deemed to have owned, inventory at April 1, 2018, you **must** file an inventory return. The inventory return and payment are due on **April 16, 2018**. The inventory return (FIN 103) is available on our [website](#) (go to the Motor Fuel and Carbon Tax Forms page).

## **Further Information**

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

Toll free in Canada: 1 877 388-4440

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

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

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