

## Consumer Taxes

**CAR. 14**                      **Bulk Sales of Fuel for Resale in Designated Regions**  
**Date of publication:**      **July 31, 1991**

Reference(s):                *Fuel Tax Act* (R.S.Q., c. T-1), sections 2, 50.1 and 51  
                                      *Regulation respecting the application of the Fuel Tax Act* (R.R.Q., 1981, c. T-1, r.1,  
                                      as amended), sections 2R1 to 2R9

This bulletin states how the *Fuel Tax Act* (the “Act”) applies to sales of fuel by a collection officer for resale by a retail dealer in a designated region.

### THE ACT

“2. Every person who in any way acquires in Québec one of the following categories of fuel for purposes other than resale shall pay to the Minister, on each litre of that fuel, a tax equal to

- (a) \$0.10 per litre for gasoline;
- (b) \$0.086 per litre for fuel oil;
- (c) \$0.054 per litre for propane gas.

Such tax is, however, reduced when the fuel is delivered to the purchaser by a retail dealer in border regions, peripheral regions, specified regions or regions bordering on peripheral or specified regions.

However, in the case of the acquisition of gasoline to be used for supplying aircraft engines or of coloured fuel oil for supplying railroad locomotive engines, the tax shall be \$0.03 per litre.

For the purposes of the second paragraph, the Government may, by regulation,

- (a) define the expressions “peripheral region”, “border region” and “specified region”;
- (b) fix the percentage of the reduction;
- (c) determine which categories of fuel are affected by the reduction;
- (d) prescribe the conditions and modalities of application of the reduction.

**50.1.** For the purposes of this Act, every importer, every refiner and every person, other than a retail dealer who sells, delivers or causes to be delivered fuel in Québec is a collection officer.

51. In order to facilitate the collection and remittance of the tax imposed by this Act or to prevent the payment twice of such tax on the same fuel, or to make the necessary deductions for evaporation or accidental loss of fuel, the Minister may make with any person holding a registration certificate such agreements in writing as he considers expedient.”

## **APPLICATION OF THE ACT**

### **General Principles**

Section 2 of the Act provides for a reduction of the fuel tax when the fuel is delivered by a retail dealer to a purchaser in a border region, peripheral region, specified region or a region bordering on a peripheral or specified region, called “designated regions” in this bulletin.

The regulation of the Act which prescribes the terms and conditions of application of the reduction provides, among other things, that the latter only applies when the fuel is poured by the retail dealer:

- in the case of a border region, into the tank supplying the engine of a motor vehicle, a machine or a piece of equipment, or into a container holding not more than 205 litres;
- in the case of other regions, into the tank supplying the engine of a motor vehicle, a machine or a piece of equipment, into a container holding not more than 205 litres or into a fixed storage tank.

### **Sale with Delivery by the Collection Officer**

In order to allow the reduction, the Ministère agrees that a collection officer who sells and delivers fuel to the establishment of a retail dealer situated in a designated region, shall collect an amount equal to the tax which applies in that region. Had the collection officer directly paid an amount equal to the tax, greater than the amount he collected at the time of sale, he is entitled to a refund of the excess amount so paid by applying therefor to the Ministère. It should be mentioned, though, that the Act does not provide for any tax reduction at the time of sale of fuel oil in a border region.

### **Sale with Delivery at the Supplier’s Depot**

Where a collection officer sells fuel to a purchaser who picks it up at the vendor’s depot, he must collect the amount equal to the tax at the rate mentioned in the Act without any reduction. If the purchaser is a retail dealer whose establishment is situated in a designated region, he is entitled to a refund of the difference between the amount paid to the collection officer and the amount of tax collected at the time of resale in his establishment. If the purchaser is a consumer or user, he cannot obtain a refund for the bulk fuel he picks up at the vendor’s.

### **Exception**

By way of exception, the Ministère may authorize a purchaser whose sales establishment is situated in a designated region and who picks up fuel at the vendor’s depot to purchase that fuel at a reduced rate rather than at the ordinary rate in order, among others, to reduce the number of

refund applications. Such an authorization, though, is only granted by means of an agreement between that person and the Ministère du Revenu.

All persons who wish to enter into such an agreement must contact the

Ministère du Revenu du Québec  
Service ententes et accréditation  
Secteur 4-2-5  
3800, rue de Marly  
Sainte-Foy (Québec)  
G1X 4A5