

Consumer Taxes

CAR. 21/R1 The coming into force of permits issued under the *Fuel Tax Act* and registration certificates issued under the *Act respecting the Québec sales tax*

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Reference(s): *Fuel Tax Act* (CQLR, c. T-1), sections 23, 27, 42 and 42.1
Act respecting the Québec sales tax (CQLR, c. T-0.1), section 407.4

This version of interpretation bulletin CAR. 21 supersedes the version of June 30, 1997. The bulletin was revised to take into account the elimination of the registration certificate required under the fuel tax system, in view of the requirement to hold a registration certificate issued under the Québec sales tax system.

This bulletin explains how the *Fuel Tax Act* (FTA) and the *Act respecting the Québec sales tax* (AQST) apply in respect of the coming into force of permits and certificates issued under them.

LEGISLATIVE PROVISIONS

1. The first paragraph of section 23 of the FTA provides that no person may engage in the retail sale of fuel in Québec unless a registration certificate has been issued to the person under the AQST and is in force at that time with regard to the retail sale of fuel.
2. By virtue of section 407.4 of the AQST, every small supplier that engages in the retail sale of fuel, within the meaning of the FTA, is required to be registered in respect of that activity.
3. According to section 27 of the FTA, every person that, in Québec, is a collection officer, an importer, a refiner or a storer; transports bulk fuel; blends taxable fuel with another non-taxable petroleum product for the purpose of resale (except a person holding a refiner's permit); or colours fuel oil must hold a permit issued for that purpose under the FTA, unless the person is exempt from that requirement by regulation.
4. By virtue of section 42 of the FTA, where a person engages in the retail sale of fuel in Québec and no registration certificate has been issued to the person under the AQST or the certificate issued is not in force, the person is guilty of an offence and liable to a fine of not less than \$2,000 nor more than \$25,000.
5. By virtue of section 42.1 of the FTA, where a person engages in any of the activities for which a permit is required and no permit has been issued to the person or the permit issued is not in force,

the person is guilty of an offence and liable to a fine of not less than \$2,000 nor more than \$25,000 or to both the fine and imprisonment for not more than two years.

APPLICATION OF THE ACT

6. To obtain a registration certificate issued under the AQST and required under section 23 of the FTA, a person must file form LM-1-V, *Application for Registration*, with Revenu Québec.

7. In certain circumstances, a registration certificate issued under the AQST can come into force retroactively. (See the current version of interpretation bulletin TVQ. 415-2 in that regard.) However, although a registration certificate may come into force retroactively, it must be issued before the person makes the first retail sale of fuel in Québec. Otherwise, the person is liable to the punishment referred to in point 4 above.

8. To obtain one or more of the permits required under section 27 of the FTA, a person must file form CA-27.1-V, *Permit Application*, with Revenu Québec.

9. The permits required under the FTA come into force on the date they are issued, regardless of the application date or any earlier date indicated by the applicant. (However, permits may come into force on an earlier date if the applicant so requests.) Thus, a person cannot use a permit application to make up for the fact that the person carried on an activity without holding the required permit or permits and would therefore be liable to the punishment referred to in point 5 above.