

Consumer Taxes

CAR. 22/R1 **Computation of the tax or an amount equal to the tax on a litre of fuel measured at ambient temperature or corrected to the reference temperature of 15 degrees Celsius**

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Reference(s): *Fuel Tax Act* (CQLR, c. T-1), sections 2.1, 14 and 51.2

This version of bulletin CAR. 22 supersedes the version of May 31, 1999. However, the position set out in the bulletin remains the same. Only some style changes were made.

For the purposes of the application of the *Fuel Tax Act* (FTA), this bulletin discusses Revenu Québec's administrative policy concerning the computation of the tax, or an amount equal to the tax, on a litre of fuel measured at ambient temperature or corrected to the reference temperature of 15 degrees Celsius (°C).

LEGISLATIVE PROVISIONS

1. According to the first paragraph of section 2.1 of the FTA, the tax or the amount equal to the tax must be computed per litre of fuel measured at ambient temperature. However, where the fuel is sold or delivered by the litre corrected to the reference temperature of 15 °C by means of a dispensing pump or other metering assembly designed or equipped to effect such correction, the tax or the amount equal to the tax must be computed per litre of fuel so corrected.
2. Under the second paragraph of section 2.1 of the FTA, where a retail dealer or collection officer, in an establishment operated by that retail dealer or collection officer, chooses at any time in the course of a year to sell or deliver fuel by the litre corrected to the reference temperature, that retail dealer or collection officer must, in respect of all fuel sold or delivered in that establishment during the remainder of that year, compute the tax, or the amount equal to the tax, per litre of fuel so corrected.

APPLICATION OF THE ACT

GENERAL RULE

3. Under the provisions of the FTA, where a retail dealer or collection officer uses, in the same establishment, both dispensing pumps or other metering assemblies that measure the litre of fuel

at ambient temperature and dispensing pumps or other metering assemblies that effect the correction of a litre of fuel to the reference temperature of 15 °C, that retail dealer or collection officer must compute, in respect of all fuel sold or delivered in that establishment, the tax, or the amount equal to the tax, per litre so corrected.

4. The objective here is to prevent retail dealers and collection officers from disabling the correction mechanisms of a dispensing pump or other metering assembly in order to take advantage of climatic conditions when computing the tax or the amount equal to the tax.

ADMINISTRATIVE POLICY

5. For each dispensing pump or other metering assembly used in the same establishment, Revenu Québec allows, by way of administrative policy, the retail dealer or collection officer to compute the tax, or the amount equal to the tax, either per litre of fuel measured at ambient temperature or per litre of fuel corrected to the reference temperature of 15 °C.

6. However, where a dispensing pump or other metering assembly is designed or equipped to effect the correction of a litre of fuel to the reference temperature of 15 °C, the tax or the amount equal to the tax must, at all times, be computed on the litre of fuel so corrected.

7. Likewise, where a dispensing pump or other metering assembly is modified in the course of a year in order to effect the correction of a litre of fuel to the reference temperature of 15 °C, the tax or the amount equal to the tax must be computed, in respect of all fuel measured by that dispensing pump or other metering assembly for the remainder of the year, on the litre of fuel so corrected.

8. For example, retail dealers and collection officers who deliver fuel by means of tank trucks with differing metering assemblies may compute the tax, or the amount equal to the tax, on the litre of fuel corrected to the reference temperature of 15 °C, if the fuel is delivered by means of a tank truck equipped to make such a correction or, where such is not the case, on the litre of fuel measured at ambient temperature.

9. Lastly, where a person who sells, delivers or handles, in the same establishment, both fuel measured at ambient temperature and fuel corrected to the reference temperature of 15 °C, that person must, when filing reports with the Minister, adopt a single method for establishing the quantities of fuel (either the litre of fuel measured at ambient temperature or the litre of fuel corrected to the reference temperature of 15 °C) and make any necessary adjustments.