

Consumer Taxes

CAR. 23 **Butane Sales**
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Reference(s): *Fuel Tax Act* (CQLR, c. T-1), sections 2, 9, 12 and 51.1
 Regulation respecting the application of the Fuel Tax Act (CQLR, c. T-1, r. 1),
 section 1R1

This bulletin explains how the *Fuel Tax Act* (FTA) and the *Regulation respecting the application of the Fuel Tax Act* (RAFTA) apply in respect of butane sales.

LEGISLATIVE AND REGULATORY PROVISIONS

1. Under section 1R1 of the RAFTA, butane gas is declared to be gasoline for the purposes of section 1 of the FTA.
2. According to section 2 of the FTA, every person who acquires gasoline in Québec for purposes other than resale must pay to the Minister of Revenue, on each litre of that fuel, fuel tax at the rate prescribed by that section.
3. By virtue of paragraph (a) of section 9 of the FTA, butane gas is exempt from the tax provided for in section 2 of the FTA when acquired by a person taking delivery of it in a container used exclusively for supplying the heating system of an immovable or used for any purpose other than supplying an internal combustion engine.
4. The first paragraph of section 12 of the FTA provides that every retail dealer must collect, as a mandatory of the Minister, the tax imposed by section 2 of the FTA on any sale of fuel made by the retail dealer.
5. By virtue of the first and fourth paragraphs of section 51.1 of the FTA, a collection officer must collect, as a mandatory of the Minister, an amount equal to the tax established in section 2 of the FTA from every person to whom the collection officer sells or delivers fuel, or causes it to be delivered, in Québec, unless the person has made an agreement with the Minister, in which case the amount equal to the tax must be collected according to the terms and conditions of the agreement.

APPLICATION OF THE ACT

6. Every person who sells or delivers butane to a consumer in Québec acts as a retail dealer and is required to collect the tax applicable to gasoline provided for in section 2 of the FTA, unless the sale is made in the circumstances described in paragraph (a) of section 9 of the FTA.

7. Every person who sells or delivers butane, or causes it to be delivered, in Québec to a collection officer or retail dealer acts as a collection officer and is required to collect an amount equal to the tax provided for in section 2 of the FTA, unless the purchaser has made an agreement with the Minister.

8. Since the application of the exemption provided for in paragraph (a) of section 9 of the FTA depends upon the container in which the consumer takes delivery of the butane at the time of the retail sale, generally speaking, that exemption is not applicable to sales for the purpose of resale.

9. Notwithstanding the foregoing, Revenu Québec agrees that a collection agent is not to collect an amount equal to the fuel tax on a sale of butane for the purpose of resale where the butane is sold in the same container as that in which it will be sold to a consumer and the container meets the requirements under paragraph (a) of section 9 of the FTA. For example, an amount equal to the fuel tax is not to be collected on a sale for the purpose of resale of a butane gas cylinder for camping.