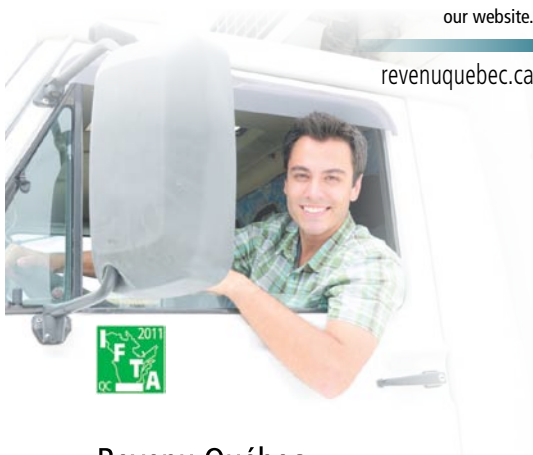


Carriers and the International Fuel Tax Agreement

This publication
is available on
our website.

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Revenu Québec

Ensuring the funding of public services

Providing for the future of our society

Québec 



This publication is provided for information purposes only. It does not constitute a legal interpretation of the provisions of the *Fuel Tax Act*, other legislation, or the International Fuel Tax Agreement.

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Introduction

On January 1, 1996, Québec signed the International Fuel Tax Agreement (IFTA). This has resulted in a reduction in paperwork for carriers providing interprovincial or international passenger or freight transportation services.

If you are a carrier, you are no longer required to file fuel tax returns with Canadian provinces¹ or U.S. states that are IFTA members. Instead, you submit a quarterly return to us, along with your payment of the balance due or refund claim (as applicable). After we receive the documents, we contact the member jurisdictions concerned in order to proceed with the necessary administrative adjustments.

To operate in member jurisdictions, without further formalities regarding fuel tax, you must apply for a licence and decals.



1. In this document, the term “province” excludes Yukon, Nunavut and the Northwest Territories. See page 18.



Licence and decals

If you are a Québec carrier and use one or more qualified motor vehicles to transport passengers or freight in and outside Québec, you must file form CA-500-V, *Application for a Licence and Decals*, with us. You must renew the licence and the decals annually by means of form CAZ-500-V, *Application for Licence and Decal Renewal*. To obtain the licence and decals, you must pay the applicable fees.

The licence is valid from January 1 to December 31. A copy must be kept inside each qualified motor vehicle (keep the original at your main place of business).

You must affix the decals to the outside of each qualified motor vehicle, one on either side of the cab, in plain view.

The licence and decals show that you are authorized to operate in all member jurisdictions, without having to meet additional obligations regarding fuel tax.

If you do not have the licence and decals, you may be required to pay duties; a citation may also be issued.

Certificate for occasional trips

If you are a Québec carrier and you do not hold a licence, you may obtain a certificate for occasional trips from a certified agency before each trip in another Canadian province or American state. For a list of these agencies, visit the IFTA section of our website or the website of the Commission des transports du Québec (www.ctq.gouv.qc.ca). You can also call one of the telephone numbers on the back of this publication.

Once the fees are paid, the certificate for occasional trips allows you to travel in member jurisdictions while being exempted from the obligations related to the Agreement, such as filing a quarterly return.

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Consumption Taxes

International Fuel Tax Agreement (IFTA)

- License and Decals
- Classification, Suspension or Revocation of a License
- Qualified motor vehicles
- Fuel Tax Refunds
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- Listing of motor vehicles
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List of certified agencies

Government department or agency	Address	Telephone or Fax
Commission des transports du Québec	Québec 300, avenue Saint-Pey 3 ^e étage Québec, QC G1R 2V1	Tel.: 1 888 461-2423 Fax: 418 944-8334
	Montréal 545, boulevard Orléans 800 12 ^e étage, bureau 3490 Montréal, QC H2M 2V1	Tel.: 1 888 461-2423 Fax: 514 873-4700
Certified agency	Address	Telephone or Fax
IFTA Partners of Quebec Roadlines	3830, Ave. St-Jean-Baptiste Suite 215 Québec, QC G1R 4K5	Tel.: 418 617-2775 or 1 888 567-7775 Fax: 418 727-3888
S.J.M. Consulting Inc.	22 Chemin de la Santé, St J 1S1	Tel.: 514 613-6868 Fax: 514 633-9415
S.M.T.C. Inc.	1395, avenue de la Laurie, QC H7B 3L2	Tel.: 514 657-8204 Fax: 514 657-8823

Contact Us

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Qualified motor vehicles

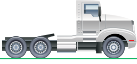
Each qualified motor vehicle must be used partly or exclusively for commercial purposes. Such vehicles are designed, used or maintained for interprovincial or international road transport of passengers or freight and, as applicable,

- have two axles and a gross weight¹ (or registered gross weight²) of more than 11,797 kilograms (26,000 pounds);

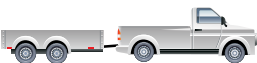


1. "Gross weight" is the weight of the vehicle and its load, indicated on the registration certificate of the vehicle. However, if the gross weight is not indicated or the gross weight exceeds 11,797 kilograms (whether the gross weight is indicated or not), "gross weight" means the weight of the vehicle and its load or its loading capacity.
2. For a vehicle registered in Québec under the IRP (International Registration Plan), "registered gross weight" is the gross vehicle weight entered on the IRP registration certificate. Under the IRP, the total weight of a vehicle and its load (or gross vehicle weight) is usually a registered gross weight.

- have three or more axles (regardless of the weight of the vehicle); or



- are used in combination with another vehicle, resulting in a gross weight¹ or a registered gross weight² of more than 11,797 kilograms (26,000 pounds). For example, the Agreement could apply to a pick-up truck towing a trailer for commercial purposes. The gross vehicle weight determined for purposes of the IRP (International Registration Plan) would, as a registered gross weight, be a very good indication as to whether a motor vehicle is a qualified motor vehicle. If the motor vehicle is, in fact, a qualified motor vehicle, the carrier should contact the Société de l'assurance automobile du Québec (SAAQ) to obtain an IRP registration certificate for the vehicle.



Vehicles used exclusively for recreational purposes are not considered to be qualified motor vehicles.



Fuel tax returns

You must complete a *Quarterly Fuel Tax Return* (form CAZ-510-V) four times a year to report the fuel you used during each quarter in member jurisdictions. Your payment of fuel tax due, or your refund claim, must be enclosed with the return.

Information to be provided in the returns

Each quarter, you must provide the following information¹ about your qualified motor vehicles on form CAZ-510-V:

- the total number of kilometres travelled in all jurisdictions (including non-member jurisdictions). Kilometres travelled using fuel subject to the tax must be distinguished from those travelled using fuel not subject to the tax, for each jurisdiction (where applicable);
- the total number of litres of fuel placed into qualified motor vehicles for each member and non-member jurisdiction.

1. Data entered in official documents (such as returns or registers) must be entered in kilometres or litres. You must therefore convert data in miles or gallons into these units of measurement. Conversion rates are included with your quarterly returns. You must complete and file a return at the end of each quarter, even if you did not make any interprovincial or international trips during the period.

Filing deadlines

You must file a return by the last day of the month following the end of each quarter (quarters end on March 31, June 30, September 30 and December 31). For example, your return for the quarter from April 1, 2011, to June 30, 2011, must be filed no later than July 31, 2011.

If the filing deadline falls on a Saturday or a Sunday, you must file the return no later than the following Monday. If the last day of the month falls on a statutory holiday, the next business day is considered to be the filing deadline.

If you mail your return,

- the date of the postmark is considered to be the date on which the return is filed; and
- the date of Revenu Québec's stamp is considered to be the date on which the payment was received.

Please note that the quarterly filing period must be respected in all cases. This means, for example, that you may not file your returns monthly, or according to your accounting periods.

Penalty and interest charges

Penalties and interest will be charged if

- you fail to file a return;
- you file a return late; or
- you fail to pay the full amount of tax due.

The penalty is equal to 10% of the unpaid taxes or \$50, whichever is higher.



Subcontractors


Long-term contract

Where a carrier enters into a long-term contract (30 days or more) with a subcontractor¹, the carrier and subcontractor may decide which of them will be responsible for completing the required quarterly returns and paying any fuel tax due (or claiming a refund, as applicable).

Short-term contract

Where a carrier enters into a short-term contract (under 30 days) with a subcontractor, the latter is responsible for filing the required quarterly returns and paying any fuel tax due (or claiming a refund, as applicable).

1. A subcontractor is an independent contractor, for example, the owner of a tractor-trailer.



Leasing of motor vehicles without the services of a driver

Long-term lease

In the case of a long-term lease (30 days or more), it is the **lessee** who must hold an IFTA licence, complete and file the required quarterly returns, and remit the fuel tax or claim a refund, as applicable.

Short-term lease

In the case of a short-term lease (under 30 days), it is the **lessor** who must hold an IFTA licence, complete and file the required quarterly returns, and remit the fuel tax or claim a refund, as applicable, unless it is specified in the lease contract that the lessee is responsible for remitting the fuel tax and the lessor is in possession of a copy of the lessee's IFTA licence.



Moving companies

Moving companies sometimes hire a subcontractor, agent or service representative under an intermittent lease. If the vehicle used is operated in the company's home province or state, the company is responsible for filing the required quarterly returns and paying the fuel tax. If the vehicle used is operated in the home province or state of the subcontractor, agent or service representative, the latter must file the required returns and pay the tax.



Keeping of records

Distance records

You must keep a record of the distances travelled by your qualified motor vehicles in Québec and all other jurisdictions, including non-member jurisdictions.

Distance records must contain the following information with respect to each qualified motor vehicle in the fleet:

- taxable and non-taxable usage of fuel;
- the distance travelled (according to taxable and non-taxable usage of fuel);
- a summary of the distances travelled by each vehicle, for each jurisdiction in which the vehicle was operated.

Your distance accounting system must allow for the inclusion of the following data for each vehicle and trip:

- the dates on which the trip began and ended;
- the point of departure and the destination, including the names of the main cities in which the carrier operated in each jurisdiction;
- the odometer reading at the beginning and end of the trip;
- the total number of kilometres travelled;
- the distances travelled in each jurisdiction;
- the vehicle's identification number;
- the number of the fleet to which the vehicle belongs, where applicable;
- the name of the licensee.

The system must also be able to provide a monthly summary for the fleet.

Fuel records

You must keep a record of all the fuel purchased, received and used in the course of your business. Fuels records¹ must contain the following information:

- the date of each receipt relating to the fuel;
- the name and address of the person from whom the fuel was purchased or received;
- the number of litres or gallons¹ received;
- the type of fuel;
- the identification number of the vehicle into which the fuel was placed.

Fuel purchases

Fuel purchases¹ must be substantiated by documents containing the following information:

- the number of the purchase invoice;
- the date of purchase;
- the name and address of the vendor;
- the name of the purchaser;
- the number of litres or gallons¹ of fuel purchased;
- the type of fuel;
- the total amount of the transaction;
- the identification number of the vehicle into which the fuel was placed.

1. Purchases may be made in litres or gallons, depending on where you purchase the fuel. However, entries in the record and in returns must be made in litres.

Fuel supplied from a bulk fuel tank

If you fill up a qualified vehicle at your own bulk fuel tank, you must include this fuel in your return. Your records must contain the following information:

- the date you filled up the tank supplying the engine of your qualified motor vehicle with fuel from your bulk fuel tank;
- the number of litres (or gallons¹) of fuel placed into the tank supplying the qualified vehicle's engine;
- the type of fuel;
- the dates on which the bulk fuel was purchased and information concerning inventories (as proof of payment of the tax on the bulk fuel);
- the identification number of the vehicle into which the fuel was placed.

Obligation to keep records and supporting documents

Your records and original supporting documents must be kept for a period of **six years**, and made available on request to any member jurisdiction that wishes to see them.

Audits

Under the Agreement, we may audit records on behalf of any member jurisdiction. In the absence of supporting documents, assessments are made on the basis of the provisions of the Agreement.

1. Purchases may be made in litres or gallons, depending on where you purchase the fuel. However, entries in the record and in returns must be made in litres.



Cancellation, suspension or revocation of a licence

Cancellation

There are two ways to cancel your IFTA licence: you can send us a written request, or you can check the appropriate box on the *Quarterly Fuel Tax Return* (form CAZ-510-V). Enclose your original licence with the request or form.

Suspension or revocation

Your licence may be suspended or revoked if you

- fail to file the quarterly returns;
- fail to pay all amounts of tax owing;
- are negligent with respect to the provisions of the Agreement or your obligations to us; or
- fail to fulfil your obligations respecting books of account.

All member jurisdictions are informed of the suspension or revocation of your licence. If you rectify the situation, your licence may be revalidated.



Québec carriers that have a licence and that operate in non-member jurisdictions

You must verify all transport requirements prevailing in the jurisdictions in which you travel.

The non-member jurisdictions in Canada are Yukon, Nunavut and the Northwest Territories; in the U.S., Alaska and the District of Columbia are non-member jurisdictions. Mexico¹ is also a non-member jurisdiction.



Obligation to provide security

We may require security if

- you fail to file your quarterly returns by the prescribed deadlines;
- you fail to pay all amounts of tax owing; or
- an audit reveals significant irregularities in your books of account.

1. As at May 1, 2011.



Additional information

If you require additional information about the International Fuel Tax Agreement, and you belong to a transport association whose members provide interprovincial or international passenger or freight services, you can contact the association. You can also call us at one of the telephone numbers below.

Local calls or long-distance calls from
outside Québec:
418 652-IFTA

Long-distance calls from within Québec:
1 800 237-IFTA (toll-free)

To contact us



Online

www.revenuquebec.ca



By telephone

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.
Wednesday: 10:00 a.m. to 4:30 p.m.

Individuals and individuals in business

Québec City	Montréal	Elsewhere
418 659-6299	514 864-6299	1 800 267-6299 (toll-free)

Businesses, employers and agents for consumption taxes

Québec City	Montréal	Elsewhere
418 659-4692	514 873-4692	1 800 567-4692 (toll-free)

Persons with a hearing impairment

Montréal	Elsewhere
514 873-4455	1 800 361-3795 (toll-free)



By mail

Individuals and individuals in business

Montréal, Laval, Laurentides,
Lanaudière and Montérégie
Direction principale des services
à la clientèle des particuliers
Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

Québec City and other regions
Direction principale des services
à la clientèle des particuliers
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Businesses, employers and agents for consumption taxes

Montréal, Laval, Laurentides,
Lanaudière, Montérégie, Estrie
and Outaouais
Direction principale des services
à la clientèle des entreprises
Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

Québec City and other regions
Direction principale des services
à la clientèle des entreprises
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

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Cette publication est également disponible en français et s'intitule *Les transporteurs et l'Entente internationale concernant la taxe sur les carburants* (IN-231).

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