

REVENU  
QUÉBEC



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FOR ALL.



# AN OVERVIEW OF THE *FUEL TAX ACT*

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[revenuquebec.ca](http://revenuquebec.ca)



# **FUEL TAX PLAYS A SIGNIFICANT ROLE IN PUBLIC FINANCES**

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As part of the fuel industry, you collect amounts that are reinvested in social programs. We have published this brochure to help you meet your obligations.

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

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# FOREWORD

This brochure sets out the principal rules of the *Fuel Tax Act* (concerning, in particular, registration certificates, permits, and the collection and remittance of the tax) that apply to retail and wholesale dealers of fuel and to storers and carriers of bulk fuel.



# GLOSSARY

## **Carrier of bulk fuel (or bulk-fuel carrier)**

A carrier of bulk fuel (or bulk-fuel carrier) is any person who, in Québec, transports fuel in a receptacle with a capacity of over 200 litres, other than fuel contained in a fuel tank installed as standard equipment for supplying the engine of a vehicle.

A person is not considered to be a bulk-fuel carrier if the fuel transported is exclusively for his or her personal use and is transported in a vehicle, in receptacles whose total capacity does not exceed 2,000 litres.

## **Collection officer**

A collection officer is any person, other than a retail dealer, who sells or delivers fuel (or causes fuel to be delivered) in Québec. The person is considered to be a collection officer if part or all of his or her commercial activities consist in selling fuel at wholesale in Québec.

## **Establishment**

An establishment is any place in Québec where fuel is manufactured, refined, stored, distributed, sold or traded. A fuel reservoir used exclusively for supplying the heating system of an immovable is not considered to be an establishment.

## **Retail dealer (or retailer)**

A retail dealer is any person who sells fuel to other persons who purchase it for their own consumption or consumption by others. However, a person whose only commercial activity consists in operating a service station and who does not own the fuel sold at retail is not considered to be a retail dealer.



### **Service station**

A service station is any establishment where fuel is sold at retail and is dispensed directly from a pump connected to an underground tank into the tank of a motor vehicle.

### **Storer of bulk fuel**

A storer of bulk fuel is any person who takes or grants a lease in Québec on an establishment, other than a service station, for the storage of bulk fuel. A person who uses such an establishment at the expense of a third party, or who causes it to be used at his or her own expense, is also considered to be a storer of bulk fuel.

### **Wholesale dealer (or wholesaler)**

A wholesale dealer is any person who sells fuel to other persons who acquire it for the purpose of sale.



# REGISTRATION CERTIFICATE

Everyone who sells fuel at retail in Québec must hold a QST<sup>1</sup> registration certificate (“Certificat d’inscription”).

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## Application for registration

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To obtain a registration certificate, use our online services at [revenuquebec.ca](http://revenuquebec.ca). You can also complete and send us form LM-1-V, *Application for Registration*, along with a document listing the addresses of all the establishments that you wish to operate (or to have operated by a third party).

Note that you must notify us by registered mail of any change that is likely to make the information you already provided inaccurate or incomplete.

If you are already registered for the QST for other activities, you must inform us by registered mail that you wish to start selling fuel at retail in Québec. You must also provide us with a document listing the addresses of all the establishments that you wish to operate (or to have operated by a third party).

In addition, if you acquire an establishment, you must notify us of the acquisition, giving your name and address, the address of the establishment, and the name and address of the person from whom you acquired the establishment.

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1. Retailers who are small suppliers are not required to register for the goods and services tax (GST).



Similarly, if you dispose of an establishment, you must notify us of the disposition, giving your name and address, the address of the establishment, and the name and address of the person who acquired the establishment. Enter your name and your registration number on all documents you provide to us.

If you do not have a residence or place of business in Québec, you must designate a person residing in Québec to act as an agent. When filing your application for registration, you must enclose a document attesting to the designation and giving the agent's address.

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## Posting

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You must post your registration certificate inside your principal place of business in Québec. If you have other establishments, you must also post a copy of the certificate in each of these establishments.

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## Suspension

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Your registration certificate may be suspended with regard to the retail sale of fuel if you do not comply with the requirements of the *Fuel Tax Act* or the *Tax Administration Act*.

If your registration certificate is suspended, we will serve you with a notice of suspension, which you must post inside your principal place of business in Québec for the entire duration of the suspension. If you have other establishments, you must also post a copy of the notice of suspension in each of these establishments.

Registration certificates cannot be transferred to anyone.



# PERMITS

You must hold a permit for each activity you carry on in Québec as a collection officer, an importer, a refiner, a storer of bulk fuel or a carrier of bulk fuel.

You must also hold a permit if, in Québec, your commercial activity consists in:

- colouring fuel oil; or
- blending taxable fuel with a non-taxable petroleum product for the purposes of sale.

However, a permit is not necessary for commercial activities exclusively related to propane or natural gas.

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## Application for a permit

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In order to obtain the permit you need to carry out your commercial activities, you must complete and send us form CA-27.1-V, *Permit Application*, along with a document listing the addresses of all the establishments that you wish to operate (or to have operated by a third party).

If you acquire an establishment, you must notify us of the acquisition, giving your name and address, the address of the establishment, and the name and address of the person from whom you acquired the establishment.

Similarly, if you dispose of an establishment, you must notify us of the disposition, giving your name and address, the address of the establishment, and the name and address of the person who acquired the establishment. Enter your name and your registration number on all documents you provide to Revenu Québec.

If you do not have a residence or place of business in Québec, you must designate a person residing in Québec to act as an agent. When filing your permit application, you must enclose a document attesting to the designation and giving the agent's address.



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## Posting

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You must post your permit inside your principal place of business in Québec. If the permit covers other establishments that you operate (or have operated by a third party), you must post a copy of the permit in each of these establishments. If you hold a bulk-fuel carrier's permit, you are required to keep a copy of the permit in each vehicle used for transporting bulk fuel.

If you do not have an establishment in Québec, you must keep a copy of the permits you hold in each vehicle.

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## Period of validity

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A permit is valid for two years. It is renewed at the end of the two-year period unless you did not comply with the requirements of the *Fuel Tax Act* or the *Tax Administration Act*.

If you do not have a residence, place of business or establishment in Québec, we can issue you a permit, which will be valid for a period of less than two years.

Permits cannot be transferred to anyone and are valid only for the activity mentioned on them.



# SECURITY

To obtain a permit, you may have to provide security.

You may also have to provide security if you are in one of the following situations set forth in the *Tax Administration Act*.

- You have been convicted of a fiscal offence in the five-year period preceding the date of your permit application.
- You owe an amount to Revenu Québec.
- You have not filed all of the required returns.

We may also require security if we consider that you are unable to fulfill the obligations arising out of your business because of your financial situation.

As a rule, the value of security is set taking into account, where applicable, the amounts that a person is likely to collect in the six-month period following the date on which security is required. The value of the security may also be based on the amounts that a person should have remitted, where applicable, in the six-month period prior to the date on which security is required.



# OTHER PROVISIONS RELATING TO THE SALE OF FUEL

Persons who sell fuel in Québec to a retail dealer must ensure that the retail dealer holds a registration certificate. They must also ensure that the certificate has not been suspended with regard to the retail sale of fuel.

Persons who sell fuel in Québec to a wholesale dealer must ensure that the wholesale dealer holds a collection officer's permit.

Both retail dealers and wholesale dealers must ensure that the persons from whom they purchase fuel in Québec (or from whom they take delivery of fuel) hold a collection officer's permit.

You may be fined if you do business with a person who:

- does not hold a registration certificate or the required permit;
- has had the registration certificate or permit suspended with respect to commercial activities in the fuel sector.

If you purchase fuel from a wholesale dealer who does not hold the required permit, you must pay us an amount equal to the tax, even if you paid that amount to the wholesale dealer.



# COLLECTING AND FILING

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## Retail dealer

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If you sell fuel at retail in Québec, you are an agent of Revenu Québec and, as such, must collect the fuel tax from the consumer at the time of the sale.

As a rule, you are not required to remit the tax you collected or to file a report with us in that regard, provided that, in conformity with the *Fuel Tax Act*, you paid your supplier an amount equal to the tax at the time you acquired the fuel.

However, if you did not pay your supplier an amount equal to the tax, you must remit that amount to us and file a report with us by the 15th day of the month following the month in which the retail sale took place. The same applies if you bring fuel into Québec with the intention of selling it at retail, or if the amount of fuel tax you collected is higher than the amount you remitted to your supplier as an amount equal to the tax.

If you use a system for measuring fuel that is different from the system used by your supplier,<sup>2</sup> the amount of fuel tax paid to your supplier can be different from the amount collected at the time you sell the fuel at retail. In that case, you must file a report with us every three months using the *Form To Be Completed by Retail Dealers* (CAZ-13-V).

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2. This is the case, for example, if you calculate the volume of the fuel sold and delivered at the ambient temperature, whereas your supplier calculates the volume using a reference temperature of 15° C.



If, because of the difference in measuring systems, the quantity of fuel you sell at retail is greater than the quantity purchased from your supplier, you must remit the fuel tax owing (that is, the amount by which the fuel tax you collect exceeds the amount you paid your supplier) when you file form CAZ-13-V.

However, if, because of the difference in measuring, the quantity of fuel you sell at retail is less than the quantity you purchased from your supplier, you may use form CAZ-13-V to claim a refund equal to the amount of the fuel tax (that is, the amount by which the amount you paid your supplier exceeds the fuel tax you collect).

If the amount equal to the fuel tax you paid as a retail dealer when you purchased fuel is greater than the fuel tax you collected when you sold the fuel at retail, you can claim a refund of the amount equal to the fuel tax that you overpaid using form CA-21.LM-V, *Fuel Tax Refund Application for Retail Dealers*. This situation can occur if you purchased fuel in a region of Québec where the fuel tax rate is higher than in the region where you sold the fuel. For example, you purchased fuel in a region where the fuel tax is applied at the regular or increased rate and you sold the fuel in a specified, peripheral or border region where the rate is lower.



If you are a retail dealer operating a service station situated on an Indian reserve or in an Indian settlement in Québec, you are not required to collect the fuel tax when selling fuel to Indians, band councils, tribal councils or band-empowered entities, provided certain requirements are met. However, you must file a monthly return.

For more information, consult the *Guide for Retail Dealers Using the Automated Solution – Program for Administering the Fuel Tax Exemption for Indians* (IN-258.SA-V).

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## Wholesale dealer

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As a rule, if you sell fuel at wholesale, you are an agent of Revenu Québec and, as such, are required to collect an amount equal to the fuel tax. You must collect the tax from every person to whom you sell or deliver fuel (or cause fuel to be delivered) in Québec. However, if the fuel is sold to a person who has entered into an agreement with us under section 51 of the *Fuel Tax Act*, you must collect the amount equal to the tax according to the terms and conditions of the agreement.

In addition, you must file a report with us respecting the amount you collected or should have collected by the 15th day of the month following the month in which the sale took place. If you did not pay your supplier an amount equal to the fuel tax for the fuel sold during the period in question, you must remit the amount to us, in accordance with the *Fuel Tax Act*.

If the amount you collected or should have collected is higher than the amount you remitted to your supplier for the fuel in question, you must remit the difference to us.



If you use a system for measuring fuel that is different from the system used by your supplier,<sup>3</sup> the amount of fuel tax paid to your supplier can be different from the amount collected at the time you sell the fuel at retail. In that case, you must file a report with us using the *Form To Be Completed by Collection Officers with Respect to the Adjusted Volume of Fuel* (CA-10.3-V).

If, because of the difference in measuring systems, the quantity of fuel you resell is greater than the quantity purchased from your supplier, you must remit the amount equal to the fuel tax owing (that is, the amount by which the amount equal to the fuel tax you collect exceeds the amount you paid your supplier) when you file form CA-10.3-V.

However, if, because of the difference in measuring systems, the quantity of fuel you resell is less than the quantity you purchased from your supplier, you can use form CA-10.3-V to claim a refund respecting the amount equal to the tax (that is, the amount by which the amount equal to the fuel tax you paid your supplier exceeds the amount you collect).

The amount equal to the fuel tax must be shown separately on every document attesting to the sale.

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3. This is the case, for example, if you calculate the volume of the fuel sold and delivered at the ambient temperature, whereas your supplier calculates the volume using a reference temperature of 15° C.



If you are a wholesale dealer who has not entered into a collection agreement with the Minister of Revenue and, upon purchasing fuel, you paid an amount equal to the fuel tax that was greater than the amount equal to the fuel tax that you collected when you sold the fuel at wholesale, the refund of the amount equal to the fuel tax you overpaid is determined when you file your monthly return using form CA-51.2.PA-V, *Return for Collection Officers Who Have Not Entered into an Agreement*.

If you become the designated supplier of a retail dealer operating a service station situated on an Indian reserve or in an Indian settlement, you are not required to collect the amount equal to the fuel tax on a percentage of the sales made to that retail dealer. The percentage is determined by Revenu Québec based on the quantity of fuel that the retail dealer is likely to sell to Indians. For more information, contact us.

## RAILWAY LOCOMOTIVE

Persons who, in Québec, use coloured fuel oil to supply the engine of a railway locomotive must remit the applicable amount of fuel tax to us using form CAZ-15-V, unless they have already paid the tax to their supplier.



# MANIFEST OR WAY-BILL

If you transport bulk fuel in Québec, you must have a manifest or way-bill for each shipment.

This requirement does not apply in the case of:

- propane or natural gas;
- fuel transported by rail;
- coloured fuel oil transported in a tank with a capacity of 25,000 litres or less.

The manifest must be kept in each vehicle used for transporting fuel and must contain **all** of the following information:

- a sequential number (for example, 0001);
- the date on which the document was drawn up;
- the name and address of the person required to draw up the document and (if applicable) the number of the bulk-fuel carrier's permit held by the person;
- where the carrier is a subcontractor, the name and address as well as, if applicable, the permit number of the person who gave out the contract;
- the licence plate number of the vehicle used to transport the fuel;
- the name and address of the vendor and the purchaser of the shipment;
- the address at which the shipment is loaded, if the address is not the same as the vendor's address;
- the date of loading and the number of the document issued by the vendor or the carrier, stating the quantity of fuel loaded;
- the number of litres of fuel transported (by product type);
- the address at which the shipment is unloaded, the date of unloading, and the number of litres of fuel (by product type) unloaded at each place;
- the name and signature of the driver.



You are liable to a fine if you do not comply with these requirements.

A police officer or other person authorized by Revenu Québec may, at any place and at any reasonable time, stop a vehicle for inspection and require the driver to produce the manifest or way-bill respecting the transportation of fuel.

The officer or other authorized person may also ask to see the copy of the bulk-fuel carrier's permit, where applicable, and may measure the capacity of the fuel tank, examine the fuel being transported or the fuel used to supply the engine, and take the necessary fuel samples.

If the driver refuses to submit to the inspection or provide the documents requested, or if the driver has committed an offence, the officer or other authorized person may order that the vehicle not be moved until a judge makes a ruling with respect to the search or seizure of the vehicle.

## REGISTERS

Retail dealers, collection officers, importers, refiners, storers of bulk fuel and carriers of bulk fuel are required to maintain registers. As a rule, the registers must contain detailed information on the quantities of fuel respecting which a transaction is made.



# INTERNATIONAL FUEL TAX AGREEMENT

Québec is a party to the International Fuel Tax Agreement (IFTA). For further information about the agreement, you may consult the following publications: *Carriers and the International Fuel Tax Agreement* (IN-231-V), as well as the *Articles of Agreement and the Procedures Manual*, both available on the IFTA website at [www.iftach.org](http://www.iftach.org).

## FINES AND IMPRISONMENT

If you fail to comply with the provisions of the *Fuel Tax Act*, you may be liable to fines or imprisonment.

For example, if a retail dealer purchases fuel from a wholesale dealer who does not have a collection officer's permit, both parties are liable to a fine.





# TO CONTACT US

## Online

revenuquebec.ca



## By telephone

### Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City 418 659-6299	Montréal 514 864-6299	Elsewhere 1 800 267-6299 (toll-free)
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### Businesses, employers and agents for consumption taxes

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

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City 418 659-4692	Montréal 514 873-4692	Elsewhere 1 800 567-4692 (toll-free)
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### Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to noon and 1:00 p.m. to 4:30 p.m.

Québec City 418 652-6159	Elsewhere 1 800 827-6159 (toll-free)
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### Individuals with a hearing impairment

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

### Individuals and individuals in business

#### Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
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 relations  
avec la clientèle des entreprises  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des entreprises  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Complaints – Bureau de la protection des droits de la clientèle

Revenu Québec  
3800, rue de Marly, secteur 3-4-5  
Québec (Québec) G1X 4A5

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Cette publication est également disponible en français et s'intitule *Les grandes lignes de la Loi concernant la taxe sur les carburants* (IN-222).

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