



The Petroleum Products Tax Act, 1999

FUEL TAX REBATE FOR MINERAL EXPLORATION

This bulletin has been prepared to assist you in understanding the Fuel Tax Rebate for Mineral Exploration. The bulletin describes eligible applicants, eligible fuel uses and procedures for obtaining a rebate.

The contents of this bulletin are presented under the following sections:

- A. Eligibility
- B. Mineral Exploration
- C. Eligible Fuel
- D. Rebate Application
- E. Misuse of Fuel Tax Rebate
- F. Review Audit and Inspection

A. ELIGIBILITY

Every person or entity who is engaged in mineral exploration may be eligible for a fuel tax rebate on fuel used in unlicensed machinery, equipment and registered snowmobiles and ATV's used in mineral exploration. The rebate applies to fuel purchased and consumed on and after April 1, 2006

- The fuel must have been purchased in Nunavut or have been imported into the territory as per section 3, 4 and 5 of *Petroleum Products Tax Act* (Nunavut).
- The applicant must have a current Prospecting License.

B. MINERAL EXPLORATION

Mineral exploration is defined as the preproduction activities of exploring or prospecting for minerals by drilling, boring, sinking shafts, driving tunnels, geological surveys, geophysics surveys, trenching and stripping and includes transporting core samples from an exploration or prospecting site and any other activities directly related to exploring or prospecting for minerals within the territory. It is also any exploration activity that would qualify as an allowable exploration expense under the *Canadian Mining Regulations*.

C. ELIGIBLE FUEL

Taxed fuel consumed within Nunavut is eligible for a rebate provided the equipment or machinery is used directly in mineral exploration.

For greater certainty, unlicensed equipment and machinery is defined as equipment and machinery, other than a snowmobile and ATV, which is not registered pursuant to *The Motor Vehicles Act* (Nunavut) or similar legislation in other jurisdictions and does not operate on a public highway. The definition also includes specialized aircraft that is permanently fitted with mineral exploration equipment; and equipment used to generate electricity. Fuel consumed in licensed vehicles or equipment is not eligible for a rebate, except snowmobiles and all-terrain vehicles (ATV's).



CURRENT FUEL TAX RATES

Nunavut	Per Litre Rate of Tax
Zone B Gasoline	6.4¢
Diesel Motive	9.1¢
Diesel Non-Motive	3.1¢
Aviation Fuel	1.0¢
Other Fuel	3.1¢

D. REBATE APPLICATION

Applicants are required to file a “Mineral Exploration Fuel Tax Rebate Application” along with the following information to obtain a fuel tax rebate before March 31 of the qualifying year:

- Prospecting License number, documents, records or other evidence to show that the applicant has undertaken mineral exploration activities during the rebate period;
- Documents, records or other evidence to show that the fuel was used solely in mineral exploration equipment and machinery and solely for mineral exploration; and
- Fuel purchase invoices.

E. MISUSE OF FUEL TAX REBATE

- Applicants report their total fuel purchases which include fuel purchased within the territory and fuel imported into the territory to GN Department of Finance. If, during the year, an applicant’s volume of fuel purchases is significantly more than in previous periods, GN Finance may ask the applicant to provide an explanation for the increased usage. Unless an acceptable reason is provided, the application may be rejected. The applicant will then not qualify for a rebate.
- Claiming for a rebate of fuel tax that was used for an ineligible purpose may result in permanent exclusion from the fuel rebate program. In these instances, the permit holder will be required to pay all applicable taxes, penalties and interest as described in the *Petroleum Products Tax Act* (Nunavut) and its regulations.

F. REVIEW OF APPLICATIONS BY NUNAVUT FINANCE

Before GN pays a fuel tax rebate, it must be satisfied that the application is reasonable. All applications may be reviewed and or audited. Additional information may be requested. The GN may, at its discretion, adjust, request re-submission or disallow all or part of any claim.

You may contact the GN Department of Finance at the phone number provided below to obtain an application form or obtain one on the Internet at www.gov.nu.ca/finance. Applications are annual and cover a period between April 1 and March 31. Completed applications must be filed no later than March 31 of the year following the period covered in the application. An eligible applicant may submit one application per year. Applications and backup information can be mailed to the address provided below.



Fuel Tax Rebate Program
P.O. 2260
Building 917B
Iqaluit, Nunavut
X0A 0H0

FOR FURTHER INFORMATION

Write:

Nunavut Finance
Taxation and Risk Management
P.O. Box 2260 (Building 917B)
Iqaluit
X0A 0H0

Phone: 867-975-6851

Fax: 867-975-5845

Information bulletins and publications are available on the Internet at:
www.gov.nu.ca/finance