

Canada Customs and Revenue Agency Notice

ET/SL-0047

Canada Customs and Revenue Agency (CCRA) NOTICE

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February 18, 2003

NOTICE TO ALL EXCISE TAX LICENSEES FEBRUARY 18, 2003 BUDGET HIGHLIGHTS

On Tuesday, February 18, 2003, the Minister of Finance, the Honourable John Manley, tabled a Notice of Ways and Means Motion to amend the Excise Tax Act (ETA).

The Ways and Means Motion includes changes to the non-GST/HST portions of the ETA which will allow for the harmonization of administrative provisions. As well, changes will also be made to the application of excise tax to fuel.

Harmonization of Administrative Provisions

The objective of the initiative is to harmonize various accounting, interest, and penalty provisions of certain federal statutes administered by the CCRA. The ultimate result will be an integrated set of rules for payment due dates, interest and penalties that would simplify the system for both tax filers and government administration.

Generally, the proposed changes will have application after June 2003, and depending upon the situation, will apply to taxation years beginning after June 2003.

Further information concerning the harmonization of administrative provisions will be sent to all affected licensees in the near future.

Diesel Fuel

The current \$ 0.04 per litre tax on diesel fuel will be removed from the following:

- bio-diesel fuel produced from waste materials or feed stocks of biological non-fossil fuel origin;
- that portion of blended diesel fuel that is equal to the percentage by volume of the blended fuel that constitutes bio-diesel fuel produced from waste materials or feed stocks of biological non-fossil fuel origin;

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- that portion of ethanol-diesel fuel blend or methanol-diesel fuel blend that is equal to the percentage by volume of the fuel blend that constitutes ethanol or methanol that is made from biomass or renewable feed stocks, and not from petroleum, natural gas, or coal.

These amendments will be applicable to fuel sold or imported after February 18, 2003.

Fuel Tax Refund Claims

The Excise Tax Act will be amended to clarify that the refund of excise tax on goods exported from Canada will not apply to fuel transported out of Canada in the non-cargo fuel tank(s) of the vehicle used for that transportation.

This amendment will apply to all applications for refund received by the Canada Customs and Revenue Agency on or after February 18, 2003.

The Notice of Ways and Means Motion and the explanatory notes are available on the Department of Finance website at the following address: <http://www.fin.gc.ca>.