

GT 1-2001

Ontario Gasoline Tax Refund Program

Please note that the following form, referenced in Ontario Tax Bulletin GT 1-2001, has been replaced as noted:

Previous Form Name (referenced in Bulletin)	Current Form Name(s)
Application for a Gasoline Tax Refund (pg.2)	PTO Summary, and PTO Schedule 1

ONTARIO TAX BULLETIN

Published by the Ministry of Finance, Motor Fuels and Tobacco Tax Branch

ONTARIO GASOLINE TAX REFUND PROGRAM

This bulletin replaces a previous Guide Note issued in 1988: Ontario Gasoline Tax Refund Program (ISBN: 0-7729-2143-1).

ELIGIBILITY

Gasoline tax is imposed on all grades of gasoline at the time of purchase. A refund of the tax paid may be claimed by the purchaser when the gasoline is used:

- in any equipment or vehicle that is not licensed or required to be licensed under the Highway Traffic Act and operated in Ontario by any business, industry or institution; and
- where such equipment or vehicles are not operated principally for the recreation or pleasure of its owner or operator.

EQUIPMENT FOR WHICH A REFUND MAY BE CLAIMED

- farming equipment - unlicensed tractors, combines;
- construction equipment - unlicensed bulldozers, graders;
- forestry equipment - unlicensed skidders, slashers;
- commercial fishing vessels;
- construction work boats.

Note: Gasoline used outside of Ontario does not qualify for a tax refund.
Gasoline used in any licensed vehicle does not qualify for a tax refund.

AUXILIARY EQUIPMENT “POWER TAKE-OFF” (PTO) REFUND

Gasoline used in Ontario to power auxiliary equipment located on a licensed vehicle qualifies for a tax refund. A unit powered from an engine which uses gasoline from a vehicle’s fuel tank is considered a “Power Take-Off” (PTO) function and qualifies for a PTO refund. To qualify for the refund, the licensed vehicle cannot be principally used for the transportation of passengers or for pleasure or recreational uses.

In most of these cases, it is not possible to accurately measure the amount of gasoline used. As a result, refund allowances are based on the equipment manufacturer's fuel consumption specifications as approved by the Motor Fuels and Tobacco Tax Branch. Refund allowances have been established for a number of PTO operations and are available on request from the Motor Fuels and Tobacco Tax Branch.

For information on the PTO refund for interjurisdictional carriers, please refer to [Ontario Tax Bulletin No. FT/GT 4-2000](#).

REFUND OF ETHANOL GASOLINE

Ethanol-gasoline is a product containing a blend of ethanol (generally between 5% to 10%) and gasoline. The ethanol portion of the blend is not subject to tax under the *Gasoline Tax Act* (GTA).

Therefore, collectors/suppliers of ethanol-gasoline collect and remit to the Ministry, tax paid on only the gasoline portion of the ethanol-gasoline blend. As a result, a refund claimant that uses ethanol-gasoline blend is entitled to a refund of the tax paid related to the gasoline portion of the blend purchased where it is used in a non-taxable manner.

For example: A refund claimant purchased 100 litres of ethanol-gasoline blend product containing 10% ethanol and uses the product for a non-taxable purpose. The claimant would be entitled to claim gasoline tax refund amounting to \$13.23 (90 litres x 14.7 cents) or (100 litres x 14.7 cents x .90). The 10% x 100 litres consisting of ethanol would not be subject to tax and therefore not eligible for a refund.

HOW TO CLAIM A GASOLINE TAX REFUND

An application for refund must be completed and submitted to the Ministry within four years from the date the tax for which a refund is sought was paid. Any portion of a claim filed after this time period will be disallowed. Purchase invoices pertaining to the claim must be submitted with the refund application. Invoices will not be returned unless requested by the applicant at the time of filing.

INVOICES IN SUPPORT OF TAX REFUND

The GTA requires that an invoice covering the sale of gasoline must contain the following information:

1. the name and address of the vendor and of the purchaser;
2. the selling price per litre of the gasoline;
3. the amount of the tax charged;
4. the quantity of gasoline purchased;
5. the date of sale.

In addition, proof of payment of the tax charged on supporting invoices is also required.

Records must be retained by claimants for seven years for audit purposes.

REFERENCE NUMBER

A permanent reference number is assigned to each refund claimant. This number should be quoted when corresponding with the Ministry about gasoline tax refunds.

Important: Penalties exist for misrepresentation of a material fact on the application for the refund or on any document used to support the application. No refund will be paid if an applicant misrepresented a material fact on an invoice submitted in support of a refund claim.

GENERAL GUIDE TAXABLE AND REFUNDABLE USE OF FUELS UNDER THE GASOLINE TAX ACT		
USE	GASOLINE	
A. Cooking	Refund on business use only	Non-taxable
B. Heating (accommodation)	Refund on business use only	Non-taxable
C. Propulsion of: i) Licensed Vehicles ii) Working Boats (Tugs, dredges) iii) Motorized Snow Vehicles (Pleasure Use) iv) Motorized Snow Vehicles v) Pleasure Craft vi) Freighters	Taxable Refund on business use only Taxable Refund on business use only Taxable Refund on business use only	Taxable Non-taxable Non-taxable Non-taxable Non-taxable Non-taxable
D. Heating (construction)	Refund on business use only	Non-taxable
E. Burning Material	Refund on business use only	Non-taxable
F. Generation of Electricity	Refund on business use only	Non-taxable
G. Lighting (lanterns, lamps)	Refund on business use only	Non-taxable
H. Propulsion of Unlicensed Equipment (Business Use)	Refund on business use only	Non-taxable
I. Propulsion of Auxiliary Unit on Licensed Vehicle (via PTO/common fuel tank)	Refund based on Ministry Approved PTO allowance.	Refund based on Ministry Approved PTO allowance.
J. Propulsion of Auxiliary Unit on Licensed Vehicle (via separate fuel tank)	Refund based on direct issues to separate tank.	Non-taxable

GENERAL INFORMATION

For further information, please write to the:

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
Refund Section
33 King Street West
Oshawa ON L1H 8H9

FAX: (905) 436-4511 or call
(905) 433-6432

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