

International Air Cargo – Fuel Tax Refund

Motor Fuel Tax Act

Do you purchase jet fuel in British Columbia?

Do you operate aircraft that carry cargo on international flights?

This bulletin explains how to apply for a fuel tax refund on jet fuel purchased in British Columbia and used in jet aircraft that carry cargo on international flights.

For more information on motor fuel tax, please see [Bulletin MFT 005](#), *Tax Rates on Motor Fuels*.

Definitions

Jet Fuel

Jet fuel is fuel produced for, and used in, aircraft with turbine engines.

International Flights

An international flight is a flight that begins or ends outside of North America. Canada and the continental United States, including Alaska but not Hawaii, are considered North America.

Purchases of Jet Fuel

You pay tax on the purchase or importation of fuel, except fuel that you bring into the province in the fuel supply tank of the aircraft.

If you plan to use jet fuel for another purpose, please contact us.

Jet Fuel Tax Refunds

You may qualify for a tax refund on jet fuel purchased in British Columbia for an aircraft that carries only cargo on international flights. You may also qualify for a tax refund on jet fuel if the flight transports fare-paying passengers; however, the refund is based on the ratio of paid cargo weight to the total payload (i.e. passengers, luggage, cargo etc.) of the aircraft. The refund does not apply to fuel used during unscheduled maintenance flights.

To apply for a refund, please provide us with the following:

- a schedule listing all data for each flight claimed, including date, cargo weight, total payload and total fuel uplifted,
- supplier fuel reports,
- cargo manifests,
- a letter of application that:
 - includes your company's mailing address, legal name and any names you use to do business as (DBAs), for the time period claimed,
 - provides evidence that the person applying for a refund holds a licence issued by the National Transportation Agency and an operating certificate issued by Transport Canada allowing you to operate an international commercial air service with the aircraft that was fuelled,
 - states the aircraft lands in British Columbia and was part of a route that began or ended outside of North America and that the National Transportation Agency and Transport Canada authorizes,
 - states the aircraft was flown on a chartered or scheduled basis and was carrying either paid cargo only, or fare-paying passengers and paid cargo,
 - states the aircraft did not offload any cargo or passengers in North America, other than cargo or passengers that were loaded outside of North America, and
 - has been signed and dated.

Send your letter of application and supporting documents to:

Consumer Taxation Branch
Refund Section
PO Box 9628 Stn Prov Govt
Victoria BC V8W 9N6

 **Need more info?**

Aircraft website: www.sbr.gov.bc.ca/ctb/Aircraft.htm

Telephone (Vancouver): 604 660-4524

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Motor Fuel Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/ctb

References: *Motor Fuel Tax Act*, Sections 7 and 8, and Regulations 4.1 and 4.3