



Information Bulletin

FT-7

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THE FUEL TAX ACT, 2000

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INFORMATION FOR FUEL IMPORTERS

This bulletin describes the taxation and reporting requirements for persons importing fuel into Saskatchewan. It is a general guide and not a substitute for the legislation.

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

- A. Requirement to Pay Tax on Imported Fuel
- B. Licensed Importers
- C. Fuel Import Permits
- D. Interjurisdictional Vehicles
- E. Transporting Fuel in Bulk – Common Carriers
- F. Failure to Comply with Fuel Importation Requirements

A. REQUIREMENT TO PAY TAX ON IMPORTED FUEL

Every person who imports fuel in bulk into Saskatchewan must either: (a) report and pay a deposit equal to the amount of tax that would be payable if the fuel had been purchased in Saskatchewan prior to the fuel entering Saskatchewan; or (b) become a licensed importer, report monthly and make semi-monthly payments.

B. LICENSED IMPORTERS

Any person importing fuel into Saskatchewan on a regular basis may apply to the Department of Finance for an importer's licence. A licensed importer may, in accordance with the terms of the licence, import fuel into Saskatchewan without paying the required deposit prior to entry of the fuel. Security in the form of a surety bond or guaranteed letter of credit may be required before Saskatchewan Finance will issue a licence.

Licensed importers must remit to the Department of Finance, by the last day of every month, an amount equal to the lesser of:

1. the actual tax payable for the period beginning on the first day of the month and ending on the 15th day of the month; and
2. the amount equal to one-half of the tax payable for the preceding month.

On the 20th of the month, the actual tax for the preceding month, less the tax paid on the last day of the preceding month, is payable. Late payments are subject to penalty and interest. However, interim payments due and paid by the last day of the month are not subject to penalty and interest providing the amount is equal to at least 90% of the actual tax determined to be payable for the period or the tax paid is equal to at least 50% of the tax payable for the preceding month.

In addition, licensed importers must file a report by the 20th of each month with respect to the fuel imported during the preceding month. The report must include the purchaser's name and location, the supplier's name and location, the date of importation, a product description, the quantity being imported, and delivery destination. If the total tax is less than \$10,000 per year, monthly remittances are acceptable.

For tax exempt sales to purchasers, the Department of Finance requires licensed importers to report the tax exempt sales daily, through the Automated Up Front Exemption System (AUFES). See Information Bulletin FT-6 for information on reporting exempt sales through AUFES.

If you wish to apply for an importer's licence, you must complete and return an Importer's Licence Application. A guaranteed letter of credit or a surety bond may be required as security for the licence.

C. FUEL IMPORT PERMITS

Any person who imports clear fuel in bulk into Saskatchewan other than a licensed importer or remitter must report the importation, obtain an importation permit, and pay a deposit in the amount of the tax before the fuel enters Saskatchewan. Each permit is valid for the day the fuel enters the province.

Importation permits may be obtained by phoning (306) 787-7683 or faxing (306) 787-0241. Information required before a permit will be issued includes the purchaser's name and location, the supplier's name and location, the date of importation, a product description, the quantity being imported, and delivery destination.

D. INTERJURISDICTIONAL VEHICLES

Registrants of interjurisdictional vehicles having a registered gross vehicle weight of more than 11,797 kilograms must report in accordance with the International Fuel Tax Agreement (IFTA). Please refer to Information Bulletin FT-5 for more information.

E. TRANSPORTING FUEL IN BULK – COMMON CARRIERS

Every recipient or common carrier who imports fuel picked up at a terminal or refinery must have in his or her possession a bill of lading or other document showing:

- the type and quantity of fuel being transported;
- the terminal's name and location;
- the carrier's name and location;
- the consignee or purchaser's name and location;
- the date the fuel was picked up;
- the destination of the fuel; and
- the jurisdiction in which the tax (if any) was charged.

F. FAILURE TO COMPLY WITH FUEL IMPORTATION REQUIREMENTS

It is an offence to contravene the requirements for reporting and accounting for tax on fuel imports.

An individual who is convicted of an offence is liable on summary conviction to a fine of not more than \$10,000 or in the case of a corporation, to a fine of not more than \$50,000. In addition, officers or directors of a corporation who participated in the commission of the offence are liable to the penalties mentioned above whether or not the corporation has been prosecuted or convicted.

FOR FURTHER INFORMATION

<u>Write:</u>	Saskatchewan Finance Revenue Division 2350 Albert Street Regina, Saskatchewan S4P 4A6	<u>Telephone:</u>	Toll Free 1-800-667-6102 Regina 306-787-7687
		<u>E-mail:</u>	sask.tax.info@finance.gov.sk.ca
		<u>Fax:</u>	306-787-0241

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