

# TAX EXEMPT FUEL USER (TEFU) GENERAL INSTRUCTION GUIDE

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## TAX EXEMPT FUEL USER (TEFU) REBATE APPLICATION Form Version AT342 (Jul-07)

## INTRODUCTION

This guide is not a substitute for the Alberta *Fuel Tax Act* and Regulation. If there is a discrepancy between this document and governing legislation, legislation will take precedence.

In this guide, numerous references are made to Information Circulars. These documents are published online at [http://www.finance.gov.ab.ca/publications/tax\\_rebates/fuel/index.html](http://www.finance.gov.ab.ca/publications/tax_rebates/fuel/index.html) and are intended to clarify legislation. These circulars are also available in paper form from Alberta Finance, Tax and Revenue Administration (TRA).

Please contact TRA for forms or additional information. Alberta callers outside Edmonton and Calgary may call toll-free by dialling 310-0000, then entering the general enquiries or fax number noted below:

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This document provides a general overview of the eligibility and filing requirements of the Tax Exempt Fuel User (TEFU) rebate process administered by TRA. It is **not** designed for those applicants enrolled under the Prescribed Off-Road Percentage (PROP) program.

This guide explains the common requirements for all TEFU rebate applications. If your operation is complex (e.g., multiple vehicles engaged in seasonal operations), contact TRA to discuss your specific situation.

Additional application information, about such topics as conducting surveys, determining consumption rates, miscellaneous rebates, is available in section 10 of this guide – “Related Publications”.

The following topics will be covered in this guide:

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## 1. WHO CAN APPLY?

### A) Eligible Operations

The Alberta *Fuel Tax Act* allows a consumer enrolled with TRA to obtain a fuel tax rebate for Alberta tax paid on fuel (gasoline, diesel, or liquefied petroleum gas [LPG]) used for commercial purposes on eligible off-road locations in Alberta.

A rebate of fuel tax may also be provided to the following non-commercial entities for Alberta tax paid fuel consumed on eligible off-road locations:

1. city, town, village, summer village, municipal district, or specialized municipality or town under the *Parks Towns Act*,
2. school board;
3. public college or university as defined in the *Post-secondary Learning Act*
4. Métis settlement; or
5. regional health authority.

### B) Eligible Off-road Locations

For the purposes of a TEFU rebate, the term “off-road” refers to any area where fuel used in eligible vehicles or equipment may result in the consumer qualifying for a rebate of Alberta fuel tax paid. For detailed information on specific areas considered as off-road and the definition of private roads, please refer to Information Circular TEFU-1R3, “Tax Exempt Fuel User (TEFU) Rebates”.

### C) Eligible Vehicles and Equipment

The following types of vehicles or equipment may be included in a TEFU rebate application:

1. licensed motor vehicles;
2. licensed refrigerated/heated (reefer) units; or

3. unlicensed equipment, when marked fuel is not reasonably available

## **II. HOW DO I APPLY?**

### **A) Enrolment Application (AT340)**

For all application periods after April 1, 2007 you are required to complete a Tax Exempt Fuel User (TEFU) Enrolment Application (AT340) before submitting your first rebate application. The application has a separate set of detailed instructions for completing the form. You must also sign a declaration stating that you will maintain appropriate records related to any application.

### **B) TEFU Rebate Application (AT342)**

Once enrolled in the TEFU rebate program, you may apply for a rebate of fuel tax by completing the TEFU Rebate Application (AT342). Effective April 1, 2007, these applications may only be made on a calendar quarter basis. You may submit multiple quarterly applications if you do this within three years of the end of the calendar year in which you bought the fuel. For example, you may submit four quarterly applications once a year.

## **III. COMPLETING THE TEFU REBATE APPLICATION**

### **A) Line Instructions**

#### **Line 1 – Business Identification Number (BIN)**

Your BIN is a 9-digit number, beginning with 4. BIN's are assigned by TRA and referenced on correspondence related to your TEFU rebate application. If you are a first-time applicant, or do not know your BIN, contact TRA or leave this space blank.

#### **Line 2 – Motor Vehicle Identification Number (MVID)**

Found on your Vehicle Registration Certificate(s).

#### **Line 3 – Alberta Corporate Account Number (CAN)**

The CAN is assigned by Alberta Corporate Registries at the time a corporation registers in the province of Alberta.

#### **Line 4 – Legal Name of Applicant**

Your legal name is your corporation name, trust, partnership name, or legal surname and given name. If you are a corporation, enter your legal name exactly as it appears in the Alberta Corporate Registry.

**Line 5 – Business or Operating Name**

Complete if your business or operating name differs from your legal name on Line 4 of the application (e.g., a numbered company that conducts business activities under an operating name). If you are claiming for more than one division owned by a legal entity, list division names.

**Line 6 – Business Address of Applicant**

Enter the complete mailing address where you generally receive mail during the course of regular business activity. If this is a post office box, please also indicate the actual physical address.

**Line 7 – Mailing Address**

Complete if you would like correspondence (including any rebate cheque) issued to an address other than your business address on Line 6.

**Line 9 – Email Address**

Enter your e-mail address if you want to authorize TRA to contact you electronically regarding your rebate application.

**Line 10 – Period Beginning**

Enter the application period beginning date (first day of January, April, July, or October). Effective April 1, 2007 application periods must be single calendar quarter periods. The last claim period up to March 31, 2007 may be less than 90 days; however, other claims prior to this period may be more than 90 days in duration.

**Line 11 – Period Ending**

Enter the application period ending date (last day of March, June, September, or December). Effective April 1, 2007 application periods must be single calendar quarter periods. The last claim period up to March 31, 2007 may be less than 90 days; however, other claims prior to this period may be more than 90 days in duration.

**Line 12 – Is this your first application under this BIN?**

If “Yes”, include the following with your TEFU application:

- a) original invoices or statements for all eligible fuel purchases in Alberta during the period;

- b) supporting documents for the fuel consumption rates for licensed and unlicensed units on Schedule B (AT344) and/or Schedule C (AT337); and
- c) supporting documents for the off-road hours reported on Schedule B (AT344) and/or Schedule C (AT337). Please provide either:
  - i) detailed records showing the time spent and the fuel consumed; or
  - ii) a survey of the time spent and fuel consumed prepared in a form and method approved by TRA. See Information Circular TEFU-2, "Tax Exempt Fuel User (TEFU) Determining Schedule B (AT344) Data", for details about surveys.
- d) other additional documents as required.

**Line 13 – Is this an amended application?**

If "Yes", you must submit the entire application, as it should have been filed originally. Include all copies of fuel invoices (including any previously provided) for the period. Amended applications will be assigned a new receipt date by TRA. Applications received by TRA more than 3 years after the end of the calendar year in which the fuel was purchased are statute barred and ineligible for rebate. Amended applications cannot be a result of a new survey used to adjust the off-road factors used in prior assessed applications.

**Line 14 – WCB Industry Codes**

Enter the Worker's Compensation Board (WCB) Code for each off-road activity included in your application. Attach a separate listing, if additional space is needed. Your WCB code(s) can be found on your WCB annual return (A300). You may be asked to provide a copy of your WCB Annual Return. The WCB Industry Code is used as a third-party verification of activities performed, to determine activity eligibility.

**Line 15 – Type of operations, please describe activities**

Provide a detailed description of each activity included in the application. If you are providing services, also indicate the industries to which you provide these services. If additional space is needed, include an attachment or covering letter with this information.

**Line 17 – Is the application for tax paid in error, exports, down-hole use, or mixing of fuel with other substances?**

If your TEFU application relates to one of these situations please refer to section 8 of this guide – "Miscellaneous Rebates" – for other rebates that you may apply for and to

Information Circular TEFU-4, "Tax Exempt Fuel User (TEFU) Miscellaneous Rebates", for information about filing requirements.

**Line 18** – Are you filing under the Prescribed Rebate Off-road Percentages Program (PROP)?

Please answer "Yes" or "No" to this question. You may have to determine if all or part of your off-road activity is to be claimed via the PROP program or TEFU. Starting in January 2005, certain industries have prescribed rates and can only file under PROP for approved activities. Fuel tax on fuel used for PROP activities will not be rebated via TEFU after the date of the PROP implementation for that industry.

TRA has negotiated PROP rates with several industries, and will continue to negotiate with other industries. See Information Circular PROP-1, "Prescribed Rebate Off-road Percentages (PROP)", to determine if your industry and activity has been approved under PROP or for more information if you conduct several activities that result in our being eligible under both PROP and TEFU.

**Line 19** – Is unlicensed equipment included in the application?

If "Yes", indicate the reason marked fuel was unavailable, and provide:

- a) your Tax Exempt Fuel User (TEFU) number valid during the application period;
- or
- b) your Alberta Farm Fuel Benefit (AFFB) number valid during the application period

**Line 20** – Was equipment added or replaced during this application period?

If "Yes", ensure you provide the date you acquired and/or disposed of the vehicle(s) or unlicensed equipment in the correct fields on either Schedule D (AT338) or Schedule E (AT339). Acquired vehicles or equipment can include purchases or leases. Similarly, disposals can include sales, lease returns, and scrapping.

**Line 21** – Indicate the typical number of hours your vehicle is operated each day  
Enter the typical number of daily operational hours (both on and off-road) for your vehicle(s). If you have several distinct vehicles, or categories of vehicles, provide an attachment of the typical daily hours for each vehicle, or vehicle category.

**Line 22** – Are any vehicles registered under the International Fuel Tax Agreement (IFTA) included in this application?

If "Yes", enter the IFTA adjustment for the application period on line 40 of the Fuel Purchase Reconciliation Schedule A-1 (AT345). Refer to section 4 of this guide –



“Accounting for Eligible Fuel” – and paragraph 17 of Information Circular TEFU-1R3, “Tax Exempt Fuel User (TEFU) Rebates”, for additional information.

**Line 23** – Is fuel purchased by you resold to other parties who might claim rebates for tax on that fuel?

If “Yes”, attach a list of the legal names of any parties to whom fuel was sold and the number of litres sold to each. Enter the total litres of resold fuel on line 46 of Schedule A-1 (AT345).

**Line 24** – Was any fuel on which you are claiming a tax rebate purchased in the name of another individual or company?

If “Yes”, enter fuel purchased by each third party on a separate Schedule A (AT343). A signed Fuel Tax Rebate Agreement (AT4911) must be attached for each initial purchaser. Please refer to section 4 of this guide – “Accounting for Eligible Fuel” – for additional information.

**Line 25** – How is the data on Schedule B (AT344) derived?

Indicate what method you used to determine your off-road hours claimed on Schedule B (AT344). Refer to TEFU-2, “Tax Exempt Fuel User (TEFU): Determining Schedule B (AT344) Data”, for detailed descriptions of acceptable methods to determine Schedule B (AT344) Data.

**Lines 30, 32, 34 and 36** – Fuel Tax Rebate Calculation

Enter data from the applicable schedules to calculate the total rebate:

- a) Total Fuel Purchased Column – enter net fuel available for TEFU (Line 48) from Schedule A-1 (AT345), for each fuel type.
- b) Total Off-Road Litres Column – enter the sum of total off-road litres calculated on Schedules B (AT344) “Fuel Consumption Grand Total” and Schedule C (AT337) “Total Schedule C Litres” for each fuel.
- c) Rebate Calculation – fields 30, 32 and 34 represent the rebate dollar amounts for each fuel type. Calculate the rebate values of lines 30, 32 and 34 by multiplying total off-road litres by the tax rate per litre for each fuel type. The total rebate amount, line 36, is the sum of the rebate dollar amounts on lines 30, 32 and 34:

	<b>Total Fuel Purchased from Schedule A-1</b>	<b>Total Off-Road Litres from Schedules B and C</b>		<b>Line</b>	
Clear Gasoline	total gas	litres <sup>gas</sup>	x \$0.09	<b>30</b>	= litres <sup>gas</sup> x \$0.09
Clear Diesel	total diesel	litres <sup>diesel</sup>	x \$0.09	<b>32</b>	= litres <sup>diesel</sup> x \$0.09
Tax Paid Propane	total propane	litres <sup>propane</sup>	x \$0.065	<b>34</b>	= litres <sup>propane</sup> x \$0.065

Total Rebate Claimed: 36 = 30 + 32 + 34

B) Applicant's Authorization

If a third party prepares your TEFU applications, you must complete and sign the "Applicant's Authorization" box with each application. TRA cannot communicate with any third party unless authorized to do so.

C) Certification

All TEFU applications must have the "Certification" signed by the applicant, or an authorized signing officer. TRA will not process unsigned applications.

D) Application Checklist

Please complete the checklist (AT342) and attach with your application. This will help you to ensure your submission meets TRA's filing requirements. Incomplete submissions and those not in required format will be returned to you for completion.

#### IV. ACCOUNTING FOR ELIGIBLE FUEL

A) Supporting Documentation

##### 1. First-time Applicants - Supporting Documentation

A first-time TEFU applicant must submit the following documents for review with the application:

- a) original invoices supporting all eligible fuel purchases;
- b) detailed records showing the time spent and the fuel consumed for the application period, or a survey of the time spent and fuel consumed prepared as required by TRA (see TEFU-2, "Determining Schedule B (AT344) Data");
- c) supporting documentation for the consumption rates used in each activity in all eligible vehicles or equipment; and
- d) any additional documents, as required.

The fuel invoices must be arranged in the same order as they appear on Schedule A (AT343), and clearly display all required information (e.g., date, location, etc.).

## **2. Repeat Applicants - Supporting Documentation**

Repeat applicants are not required to submit fuel invoices at the time the application is made. However, repeat applicants must be sure to maintain fuel purchase records for the required time period. A sample of invoices may be requested. Please refer to section 9 of this guide – “Retention of Records” –for additional information.

### **B) Schedule A – Listing of Fuel Purchases (AT343)**

Complete a separate Schedule A (AT343) for each fuel type purchased during the application period. List purchases in date order, regardless of the fuel supplier. Include all Alberta tax paid fuel purchased during the application period, and ensure all information on Schedule A (AT343) is provided for each purchase, including the location (e.g., town/city/highway intersection). Exclude any out-of-province fuel from Schedule A (AT343), as there is no Alberta fuel tax included in these purchases. Make adjustments for IFTA, PROP, assigned fuel, and fuel resold on Schedule A-1 (AT345). Retain out-of-province fuel purchase invoices, as they may be requested during the course of an audit.

### **C) Schedule A-1 Fuel Purchase Reconciliation (AT345)**

You must complete fuel purchase reconciliations for each applicable fuel type to determine the net fuel available for your TEFU application.

#### **Line 38 – Total Fuel Purchased**

Transfer totals from each Schedule A (AT343) by fuel type to line 38 of Schedule A-1 (AT345), then complete the adjustments on lines 40, 42, 44 and 46, if applicable.

#### **Line 40 – International Fuel Tax Agreement (IFTA) Adjustment**

Multi-jurisdictional carriers add or deduct the IFTA adjustment for the application period. Refer to column 6 of the IFTA Fuel Type Schedule (AT2060) for the Alberta IFTA Adjustment.

You may have to prorate your entire fleet’s IFTA adjustment for those vehicles included in the TEFU application. The method you choose to adjust for IFTA registered vehicles should be representative of operations. If a third party files your IFTA return you must obtain the information from that party. If your IFTA return is filed in a jurisdiction other than Alberta, forward supporting records for the IFTA adjustment.

#### **Line 42 – Fuel Reported for PROP Vehicles**

If you are also claiming via PROP for the period, deduct the net fuel available for PROP fuel entered on lines 30, 31, or 32 of the PROP Application (AT277) for the same application period.

#### **Line 44 – Fuel Assigned**

Report the total fuel purchased in the name of another person for whom an agreement is in place waiving that person's right to claim the fuel under TEFU. Include these purchases on a separate Schedule A (AT343) identified as assigned fuel, per question 24 on the TEFU Rebate Application (AT342).

#### **Line 46 – Fuel Resold**

Report the total litres of each fuel type that you resold to other persons during the period. Attach a listing of purchasers and the number of litres sold to each.

#### **Line 48 – Net fuel available for TEFU**

To calculate line 48, **add** total fuel purchased, IFTA adjustment (positive or negative), and Fuel Assigned. Then **subtract** Fuel Reported for PROP and Fuel Resold. You now have your Net Fuel Available for TEFU (line 48) for each fuel type. Transfer these amounts to the respective line on page two of the TEFU Rebate Application (AT342) "Total Fuel Purchased from Schedule A-1(s)".

#### **D) Fuel Tax Rebate Agreement (AT4911)**

If fuel purchased by a third party is included with your application, provide a separate Schedule A (AT343) for each fuel type for each third party purchaser. You must enter into a Fuel Tax Rebate Agreement (AT4911) with each third party purchaser. You and the initial purchaser complete and sign the agreement, waiving the initial purchaser's right to a fuel tax rebate for the same fuel.

#### **E) Assignment of Rights (AT4906)**

It is the final purchaser and user of the fuel that is eligible to apply for a TEFU rebate. For example: for owner-operators using fuel purchased from a carrier, it is often more practical for the carrier to file one application on behalf of all its owner-operators than for the owner-operators to file individual applications. If a carrier makes an application for a TEFU rebate that includes fuel purchased and used by owner-operators, the carrier must provide a signed assignment of the TEFU refund entitlement from each owner-operator who purchased and used the fuel included in the carrier's application. This assignment waives the final purchaser's (i.e., owner-operator's) right to claim a fuel tax rebate on this fuel. A signed "Assignment of Rights" (AT4906) must be provided for each lease/owner operator whose fuel has been included with the application.

#### **F) Declaration of Cash, Debit, and Credit Card Purchases**

If cash, debit, or credit card purchases are included on Schedule A(s) (AT343), and your name does not appear on the receipts for these purchases, complete the certification on Schedule A-1 (AT345). This certification confirms that these receipts are

for fuel consumed during your eligible off-road operations and must be completed for each application.

## V. DETERMINING OFF-ROAD FUEL USE – LICENSED VEHICLES

Calculate the total off-road litres used during the period for each licensed vehicle, or class of similar licensed vehicles, on Schedule B (AT344). Calculate fuel use for each of the three eligible off-road activities (travel, idle, and power take-off [PTO] accessory operation). Unlicensed equipment consumption is calculated on a separate Schedule C (AT337), unless it is auxiliary equipment that shares a fuel tank with a licensed vehicle.

For example:

- if a separate engine used to power a welder shares a fuel tank with the licensed truck to which it is mounted, the welder unit's fuel consumption would be recorded as PTO on Schedule B (AT344); alternatively
- if the welder has its own fuel tank then marked fuel should be used. If marked fuel was not reasonably available, the fuel consumption would be recorded on Schedule C (AT337), based on actual records.

### A) Required Schedule B (AT344) Data

1. **Name/BIN and Period Ending** – on each page of Schedule B (AT344), record your name, BIN and the application period end-date.
2. **Fuel Type** – complete a separate Schedule B (AT344) for each fuel type used in your licensed vehicle(s) during the period. Indicate the fuel type each schedule refers to by checking the appropriate box on the top right of the page.
3. **Unit REF#s** – on the top left side of each calculation box enter a reference number for each vehicle on Schedule B (AT344) that corresponds to the Schedule D (AT338). If multiple vehicles are in a particular Schedule B (AT344) grouping, include an attachment that cross-references all reference numbers in the grouping. For example, if you have 75 pickup trucks doing similar activities at one location on Schedule B (AT344) out of a total of 110 pickup trucks on Schedule D (AT338) you may either: (i) complete as many Schedule Bs (AT344) as required or (ii) group the vehicles under a sub-heading (e.g., P/U–Group 1) and provide clarifying documentation. Example:

P/U – Group 1	1-10, 13, 17, 21, 23, 28-35, 42-49, 51, 58, 61-82, 88, 90, 92-99, 100-110
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4. **Unit Activity** – identify the activity the licensed vehicle(s), or group of vehicles, performed during the application period (e.g., gravel hauling, field support, hydro vacuuming, commodity hauling, crew transport, etc.).

5. **Off-road Location** – provide the location(s) of the vehicle or group of vehicles. For example, if you conduct off-road activities using different trucks for Calgary and Edmonton, report the locations separately on Schedule B (AT344).

**B) Calculation of Schedule B (AT344) Litres**

Regardless of the method you use to determine your off-road hours (i.e., actual fuel records or survey) or fuel consumption rates (i.e., testing or engine downloads), calculate the total litres consumed by licensed vehicles during the application period for the applicable “Activity Types”, as described below. See Information Circular TEFU-2, “Tax Exempt Fuel User (TEFU) Determining Schedule B (AT344) Data”, for information about determining Schedule B data.

**Note:** Each activity requires a specific consumption rate. **Blended** fuel consumption rates (i.e., one consumption rate for multiple activities) will not be accepted.

1. **Off (off-road travel)** – the licensed vehicle is engaged in traveling off-road to, from, or at a job location when the licensed vehicle is not stationary.
2. **Idle (off-road idle)** – the licensed vehicle is idling off-road at speed zero (i.e., wait time, warm-up, load time with no PTO engaged, etc.).
3. **PTO (off-road power take-off use)** – the licensed vehicle has engaged an auxiliary power take-off unit off-road, powered by the main engine or drawing fuel from the same tank as the main engine (i.e., winch, picker, pump, etc.).

The total volume of off-road litres for each activity type per vehicle, or group of vehicles, is calculated on Schedule B (AT344) as follows:

	A		B		C		D	
Off	Hours per unit <sup>Off</sup>	x	Litres per hour <sup>Off</sup>	x	Number of Units <sup>Off</sup>	=	Litres of Fuel Consumed (Off)	
Idle	Hours per unit <sup>Idle</sup>	x	Litres per hour <sup>Idle</sup>	x	Number of Units <sup>Idle</sup>	=	Litres of Fuel Consumed (Idle)	
PTO	Hours per unit <sup>PTO</sup>	x	Litres per hour <sup>PTO</sup>	x	Number of Units <sup>PTO</sup>	=	Litres of Fuel Consumed (PTO)	
Total Fuel Consumption by Unit Activity and Location:							=	Total of Column D

The Schedule B (AT344), “Fuel Consumption Grand Total”, is calculated by adding together all Total Fuel Consumed by Unit Activity and Location items. Carry forward the “Fuel Consumption Grand Totals” of all Schedule Bs (AT344), combined with the totals from all Schedule Cs (AT337) where applicable, for each fuel type to the appropriate line 30, 32, or 34 on the “TEFU Rebate Application” (AT342).

**C) Additional Data Required if Applying a Survey**

**Refer to Information Circular TEFU-2, “Tax Exempt Fuel User (TEFU) Determining Schedule B (AT344) Data” for detailed information about surveys before preparing your application.**

If applying a survey to determine any portion of the Schedule B (AT344) data, please provide the following additional information on Schedule B (AT344):

1. Survey Type

The type of survey you conduct will depend on the nature of your operation. Your survey will generally be based on one of the following models:

- a) annual (A) – your activity is not impacted by seasonal/work cycle factors.
- b) winter (W) – you engage in a seasonal winter activity.
- c) summer (S) – you engage in a seasonal summer activity.
- d) per work cycle (C) – your operations consist of distinct cycles spanning several months where the duration of time spent on and off-road changes with each cycle. The minimum survey period for such a cycle is 15 days. The combined total of cycle survey periods must be at least 30 days. Surveys may be used for subsequent applications where off-road activities, job locations, and cycles all remain the same.

2. Beginning date of application to which the survey was first applied

Enter the beginning date of the first application to which your survey was applied. A survey expires at the earlier of: four years from the first day of the application period to which it was first applied, or when the survey no longer represents your routine operations. Provide new surveys for each application period unless you can demonstrate there has been no significant change in the percentage of off-road activity and mix of vehicles used in your operation. Results of new surveys cannot be used to adjust the off-road factors used in prior assessed applications.

3. Survey Duration Dates

Provide accurate details as to the start and end dates of the survey used to determine Schedule B (AT344) data. Surveys must be conducted for a minimum of 30 days on each surveyed vehicle.

D) Determining Licensed Vehicle Consumption Rates

**Refer to Information Circular TEFU-3, “Consumption Rates”, for detailed information about determining consumption rates before preparing your application.**

Verify the consumption rates for each vehicle, or group of similar vehicles, for each of the three applicable activity types: travel, idle and PTO. Similar vehicles generally have

similar horsepower, engine displacement and engine manufacturers. Currently, TRA accepts two methods of determining fuel consumption for vehicles:

- Engine Diagnostic Downloads
- Fuel Consumption Field Testing

To accurately complete a TEFU rebate application, verify the consumption rates for each activity for each vehicle, or group of similar vehicles, **at the time the application is completed or a survey is performed**. Your application may be disallowed if it is determined you did not verify the consumption rates or you are unable to provide supporting documentation for the rates.

TRA may accept other methods of determining consumption rates, on a case-by-case basis. If you intend to use a method not listed above, please contact TRA for review and approval of the proposed method prior to submitting an application. As new technologies emerge, TRA will review and determine their suitability for TEFU rebate applications, and update all relevant information accordingly.

#### E) Determining the Number of Eligible Vehicles

You may need to determine the “Full-Time Equivalent Units” for your application period. Full-time equivalent units is a calculation to adjust for only those units used during the reporting period. Full-time equivalent units are calculated by dividing the number of days a unit is owned or leased during the reporting period by the total number of days in the reporting period. For example:

1. If you own and operate ten licensed vehicles of the same type for the entire application period, report ten vehicles on Schedule B (AT344).
2. If you own ten licensed vehicles of the same type and lease an additional three similar vehicles for one month of the three month period, report 11 full-time equivalent vehicles on Schedule B (AT344) as follows:

<b>Full-time vehicles</b>	10
<b>Plus: equivalent vehicles</b>	
3 vehicles x 30 days / 90 days	<u>1</u>
<b>Total vehicles of this type for the claim period</b>	11

Alternatively, you might report the owned and leased vehicles separately on Schedule B (AT344). That is, report the 10 owned vehicles in one calculation box of Schedule B (AT344). In a separate calculation box of Schedule B (AT344) clearly identified as referring to your leased vehicles, report the three leased vehicles with one month of off-road activity as one full-time equivalent unit.



## VI. DETERMINING FUEL USE – UNLICENSED VEHICLES

As explained in Information Circular TEFU-1R3, “Tax Exempt Fuel User (TEFU) Rebates”, a TEFU number (Fuel Tax Exemption Certificate) allows you to obtain marked gasoline or diesel exempt of tax at the time of purchase. TRA requires TEFU rebate applicants to use marked fuel in unlicensed equipment and vehicles, and for other non-motive purposes, unless marked fuel is not reasonably available.

Surveys are **not** a valid method to determine Schedule C (AT337) hours or volume of fuel consumed. If including unlicensed equipment or vehicles in an application, maintain actual records of fuel used in these units. These records must be either:

- actual fuel tracking records that reflect the total fuel placed into each piece of unlicensed equipment or vehicle, or
- actual hours multiplied by the consumption rate per hour. Base your calculations on supporting documentation for fuel consumption rates and verifiable records for the operational hours reported (e.g., actual daily logs, maintenance records, etc.).

### A) Separate Schedules by Fuel Type

Prepare a separate Schedule C (AT337) for each fuel type. Include only Alberta tax-paid fuel consumed in unlicensed equipment or vehicles. If you based your Schedule C (AT337) calculation for unlicensed equipment on total hours operated during the application period and included marked fuel or out-of-province fuel on which no Alberta tax paid was paid, deduct these litres from page 2 of the schedule.

### B) Fuel Consumption Rates

Equipment grouped by type (e.g., backhoes) may have different fuel consumption rates depending on the models. List each piece of equipment on Schedule C (AT337) with its specific consumption rate, or group similar equipment and use either the weighted average consumption rate, or the lowest consumption rate of the group.

Acceptable methods for determining consumption rates are physical testing or using records of fuel tracked to the vehicles divided by the hours those vehicles were operated.

In the first column, provide a unique reference number corresponding to the one on the “Unlicensed Equipment Listing Schedule E” (AT339) for each unit. This column may contain several REF#s if similar equipment is grouped. Serial numbers cannot be used as reference numbers.

Complete as many Schedule Cs (AT337) as required, and carry forward the totals of all Schedule Cs (AT337), combined with the totals from all Schedule Bs (AT344), for each fuel type to the appropriate line 30, 32 or 34 on the "TEFU Rebate Application" (AT342).

## **VII. LISTING OF VEHICLES AND EQUIPMENT**

TRA requires that you distinguish licensed vehicles/equipment from unlicensed vehicles/equipment. Use a corresponding Schedule D (AT338) for licensed vehicles/equipment or a corresponding Schedule E (AT339) for unlicensed vehicles/equipment. Please consider the following when completing Schedules D (AT338) and/or Schedule E (AT339):

- A) include current vehicle and equipment listings with **every** TEFU application;
- B) for licensed vehicles, be sure to provide the Vehicle Identification Number (VIN) for each vehicle on Schedule D (AT338);
- C) unlicensed equipment should only appear on Schedule E (AT339) if clear Alberta tax-paid fuel has been used during the current application period;
- D) fill out Schedules D (AT338) and E (AT339) completely , with detailed entries for each vehicle or piece of equipment;
- E) include leased or rented equipment on the related schedule;
- F) ensure that reference numbers are consistent from one application period to the next. If not, provide documentation explaining the reasons why; and
- G) ensure that reference numbers correspond with the related Schedule B (AT344) or Schedule C (AT337).

## **VIII. MISCELLANEOUS REBATES**

Rebates are available on Alberta fuel tax related to other miscellaneous activities. Please refer to Information Circular TEFU-4, "Miscellaneous Rebates", for information on filing requirements. Fuel tax rebates are available for fuel tax paid:

- A) in error (by federal or foreign governments);
- B) on a non-motive mixture (gasoline or diesel rendered unusable in an internal combustion or turbine engine);
- C) on injection into a well-bore;
- D) on fuel used in commercial tour boat operations; and/or

E) on fuel used in licensed commercial fishing.

## IX. RETENTION OF RECORDS

All records and documentation related to your fuel tax rebate must be kept:

- for six years from the end of the calendar year in which the fuel was purchased, or
- four years from the end of the calendar year the rebate is paid,

whichever is later. You must maintain complete records supporting all aspects of your rebate application, including records to support your survey, according to the agreement signed when you were enrolled under the TEFU Rebate Program. See [Information Circular FT-10, "Offences and Penalties"](#), for more information.

## X. FORMS AND RELATED PUBLICATIONS

Forms - **Please note: links to these forms\* will be added when they become available:**

- [AT277](#), "PROP Application"
- [AT337](#), "Schedule C – Unlicensed Equipment Fuel"
- [AT338](#), "Schedule D – Units and Equipment Listing"
- [AT339](#), "Schedule E – Unlicensed Units and Equipment Listing"
- AT340, "Enrolment Application" \*
- [AT342](#), "TEFU Rebate Application" and Checklist
- [AT343](#), "Schedule A – Listing of Fuel Purchases"
- [AT344](#), "Schedule B – Licensed Units Fuel Consumption Calculations"
- [AT345](#), "Schedule A-1 – Fuel Purchases Reconciliation"
- [AT2060](#), "IFTA Fuel Type Schedule"
- [AT4906](#), "Assignment of Rights"
- [AT4911](#), "Fuel Tax Rebate Agreement"

Publications -

- "Tax Exempt Fuel User (TEFU) Rebates", Information Circular [TEFU-1R3](#)
- "Prescribed Rebate Off-Road Percentages (PROP)", Information Circular [PROP-1](#)
- "Tax Exempt Fuel User (TEFU) Determining Schedule B (AT344) Data", Information Circular [TEFU-2](#)
- "Tax Exempt Fuel User (TEFU) Determining Fuel Consumption Rates", Information Circular [TEFU-3](#)
- "Tax Exempt Fuel User (TEFU) Miscellaneous Rebates", Information Circular [TEFU-4](#)