

Tax and Revenue Administration (TRA)

Carbon Levy Administration

Information Circular CL-NG-3

Natural Gas (Heating Purposes) – Exemptions

Last updated: November 3, 2016

NOTE: This information circular is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this information circular and governing legislation, the legislation takes precedence.

The Government of Alberta recognizes that many First Nations people and communities in the province prefer not to describe themselves as Indians/Indian bands. These terms have been used where necessary to reflect their legal meaning in the federal *Indian Act*.

Trouble opening PDF forms?

Fillable forms do not open on some mobile devices and web browsers. If the form doesn't open or you see a "please wait" message, follow these steps to complete and save fillable forms from TRA:

1. Right-click on the form link, or on the "Please wait" page, and select "Save Link As" or "Save As", and save the form to your computer.
2. Launch Adobe Reader.
3. Open the PDF from within Adobe Reader. You can now fill and save your form.
4. Note that forms cannot be emailed. Please print the form and then mail or fax it to TRA (see contact information below).

Natural Gas (Heating Purposes) – Exemptions

Index

- [Carbon Levy Exemption Certificates](#)
- [Who May Purchase Natural Gas Exempt from the Carbon Levy](#)
 - [Specified Gas Emitters and Oil and Gas Production Process Before 2023](#)
 - [Other Evidence of Exemption](#)
 - [Indian or Indian Bands](#)
 - [Government Of Canada](#)
- [Application for a Certificate](#)
- [Expiration of a Certificate](#)
- [Refusal to Issue a Certificate](#)
- [Suspension or Cancellation of a Certificate](#)

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- Website: tra.alberta.ca
- Phone: 780-644-4300
- Fax: 780-644-4144

Note: for toll-free service in Alberta, call 310-0000, then enter the number.



Carbon Levy Exemption Certificates

1. The Act and the Regulation allow consumers to apply for a carbon levy exemption certificate to purchase natural gas exempt from the carbon levy. The exemption certificates are issued by TRA.
2. A consumer is entitled to purchase natural gas exempt from the carbon levy if:
 - the consumer provides, at the time of purchase, a carbon levy exemption certificate or other prescribed evidence of exemption, and
 - the natural gas is intended for a prescribed purpose or use.
3. To purchase natural gas exempt from carbon levy a consumer must provide to the consumer's natural gas service provider the carbon levy exemption certificate or other evidence of exemption (see paragraph 10 and 11 for examples of other evidence of exemption).
4. If natural gas is delivered to an address on reserve and the consumer is:
 - an Indian who has previously provided the natural gas service provider with a federal identification card in respect of which the natural gas service provider has retained a record of the number on the federal identification card, or
 - an Indian band that has previously provided the natural gas service provider with an original certificate, of which the natural gas service provider has retained a record, showing that the natural gas is being acquired for band management activities or for real property on a reserve,

the natural gas service provider must sell natural gas to the Indian or Indian band exempt from the carbon levy.

[Back to Index](#)

Who May Purchase Natural Gas Exempt from the Carbon Levy

5. Consumers may purchase natural gas for heating purposes exempt from the carbon levy from a natural gas service provider in situations including:
 - a. the natural gas is used by the consumer in the operation of a specified gas emitter if the emissions from the natural gas are direct emissions as defined in the Specified Gas Emitters Regulation,
 - b. the natural gas is used by the consumer in an oil and gas production process before 2023,
 - c. the natural gas is not put into a fuel system that produces heat or energy, and is not flared or vented, when used:

- as a raw material in an industrial process that produces another fuel;
 - as a raw material in an industrial process that produces another substance that is not a fuel; or
 - as a solvent or diluent in the production or transport of crude bitumen or other substances.
- d. the natural gas is used by an Indian or Indian band as defined in the *Indian Act (Canada)* on reserve, or
- e. the natural gas is used by the Government of Canada.

[Back to Index](#)

Application for a Certificate

Specified Gas Emitters and Oil and Gas Production Process Before 2023

6. Eligible consumers may apply to TRA for a carbon levy exemption certificate to purchase natural gas without the carbon levy by completing and submitting to TRA the Carbon Levy Fuel User Exemption Application Form (AT5102).
7. If the natural gas is used by a consumer in the operation of a specified gas emitter, the consumer is required to also complete Schedule A – SGER Facility (AT5109) and attach it to the application form.
8. If the natural gas is used by a consumer in an oil and gas production process before 2023, the consumer is required to also complete Schedule B – Oil and Gas Production Process (AT5110) and attach it to the application form.
9. Where TRA approves the application, a carbon levy exemption certificate will be issued. The exemption certificate will contain an approval number and will identify the type of fuel(s) that may be purchased exempt from the carbon levy.

[Back to Index](#)

Other Evidence of Exemption

Indian or Indian Band

10. If natural gas is delivered to an address on reserve and the consumer is:
- an Indian who has previously provided the natural gas service provider with a federal identification card in respect of which the natural gas service provider has retained a record of the number on the federal identification card, or

- an Indian band that has previously provided the natural gas service provider with an original certificate, of which the natural gas service provider has retained a record, showing that the natural gas is being acquired for band management activities or for real property on a reserve,

the natural gas service provider must sell natural gas to the consumer exempt from the carbon levy. Where a federal identification card or an original certificate has not been previously provided to the natural gas service provider, the Indian or Indian band may provide one to purchase the natural gas exempt from the carbon levy.

In cases where carbon levy has been paid, the Indian or Indian band who holds a federal identification card or original certificate may be able to apply for a rebate of any carbon levy paid.

[Back to Index](#)

Government of Canada

11. To purchase natural gas exempt from the carbon levy, the Government of Canada must provide the natural gas service provider documentation satisfactory to the Minister indicating that the premises to which the natural gas is delivered are used by the Government of Canada.

[Back to Index](#)

Expiration of a Certificate

12. A carbon levy exemption certificate expires on the earliest of:
 - the expiry date on the certificate (if shown);
 - the date the certificate holder ceased to be entitled to purchase natural gas exempt from the carbon levy;
 - if the certificate holder is a corporation, the date the holder:
 - amalgamates with another corporation;
 - is wound up; liquidated or dissolved; or
 - is subject to any proceedings under the *Companies' Creditors Arrangement Act* (Canada);
 - if the certificate holder is a partnership, the date there is a change in the partners of the partnership;
 - if the certificate holder is the operator of a joint venture, the date there is a change in the operator of a joint venture; and

- the date the certificate is cancelled by TRA.

[Back to Index](#)

Refusal to Issue a Certificate

13. TRA may refuse to issue a carbon levy exemption certificate in certain circumstances, which may include situations where:
- TRA determines that the applicant is not exempt from paying the carbon levy on fuel,
 - TRA determines that some or all of the information provided on the application is false or misleading,
 - the applicant holds a valid carbon levy exemption certificate in respect of the same fuel,
 - TRA determines that the applicant has contravened the Act and the Regulation or any other enactment that provides for the imposition of a tax, or
 - the applicant has an overdue debt to the Crown.

[Back to Index](#)

Suspension or Cancellation of a Certificate

14. TRA may suspend or cancel a carbon levy exemption certificate in certain circumstances, which may include situations where:
- TRA determines that the holder of the carbon levy exemption certificate is no longer exempt from paying the carbon levy on fuel,
 - TRA determines that information provided to TRA by the holder of the carbon levy exemption certificate is false or misleading,
 - the carbon levy exemption certificate has been lost, stolen, destroyed or is unusable,
 - TRA believes that the carbon levy exemption certificate has been sold to, or is in the possession of or being used by, a person other than the person to which it was issued or an authorized representative,
 - TRA determines that the holder of the carbon levy exemption certificate has contravened the Act and the Regulation or any other enactment that provides for the imposition of a tax, or

- the holder of the carbon levy exemption certificate has an overdue debt to the Crown.
15. Where TRA has suspended or cancelled a carbon levy exemption certificate, the holder of the certificate will be notified of the action taken. Natural gas service providers will also be notified of the suspension or cancellation of the certificate.

[Back to Index](#)

Contact Information and Useful Links

Contact Tax and Revenue Administration (TRA):	Email: TRA.CarbonLevy@gov.ab.ca
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