

Tax and Revenue Administration (TRA)

Fuel Tax Act

Information Circular FT-11R1

Direct Remitter

Last updated: February 20, 2019

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.

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).

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



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Definition of Direct Remitter

1. A direct remitter is a person required to remit fuel tax to Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA), according to the provisions of the [Fuel Tax Act](#).
2. There are two types of direct remitter:
 - a. A **full direct remitter** :
 - operates a refinery in Alberta except a refinery that produces only biodiesel, ethanol, kerosene, methanol, bunker fuel or condensate;
 - or
 - manufactures, refines, acquires in, or imports into Alberta 500 million or more litres of clear fuel annually.
 - b. An **activity-based direct remitter** carries out an activity described below, but does not meet the criteria for a full direct remitter.

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Registration of Direct Remitters

3. **Full direct remitters** are permitted to conduct the following activities if registered for the activities:
 - produce or refine fuel;
 - import fuel into Alberta;
 - operate a terminal or act as a position holder within a terminal operated by another person;
 - sell fuel for the purpose of resale;
 - sell aviation fuel;

- sell fuel exempt from tax;
- mark fuel;
- rebrand fuel;
- export fuel from Alberta in bulk;
- sell kerosene, bunker fuel, methanol or condensate in bulk; or
- sell fuel, or remove their own fuel, from a refinery or terminal.

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4. **Activity-based direct remitters** will be permitted to conduct one or more of the following activities if they have registered with TRA to carry on the specific activities:

- import fuel into Alberta for resale;
- purchase fuel outside Alberta, where the fuel is brought into Alberta and put into the fuel system of an internal combustion engine without first being sold or resold in Alberta;
- rebrand fuel in Alberta;
- use locomotive fuel in Alberta;
- sell or deliver LPG, as an LPG distributor, into a dispensing system in Alberta (other than a bulk storage tank) used to dispense LPG for use as motive fuel; or
- use bunker fuel, kerosene, methanol or condensate to generate motive power in an internal combustion or turbine engine.

5. To register as a full direct remitter, apply to TRA using the ["Fuel Tax Registration" \(form AT4905\)](#).

6. To register as an activity-based direct remitter, apply to TRA for registration using the following application forms:

- for an importer of fuel into Alberta, apply using the ["Fuel Tax Registration" \(form AT4905\)](#);
- for purchasing fuel outside Alberta and putting it into the fuel system of an internal combustion engine without the fuel first being sold or resold in Alberta, you will be registered as a direct remitter when you file a consumer return with TRA, reporting and paying the tax;

- for rebranding fuel in Alberta, apply to TRA using the ["Fuel Tax Registration" \(form AT4905\)](#);
 - for a railway that uses locomotive fuel, apply to TRA using the ["Fuel Tax Registration" \(form AT4905\)](#); ;
 - for an LPG distributor, apply using the LPG ["Application for Registration of Propane Producers and Distributors" \(form AT336\)](#); or
 - for a consumer who uses bunker fuel, kerosene, methanol or condensate to generate motive power in an internal combustion or turbine engine, apply to TRA using the ["Fuel Tax Registration" \(form AT4905\)](#).
7. TRA will review your application for registration and may request additional information from you before making a decision on registration.
 8. When your application has been approved, TRA will send you written notification of your registration as a direct remitter and the activities you are permitted to conduct.
 9. TRA may refuse to register an applicant as a direct remitter, to renew the registration of a direct remitter, or may cancel or suspend the registration of a direct remitter if the direct remitter has contravened the *Fuel Tax Act* or Regulation, another Alberta law, or a law of another jurisdiction governing the collection and payment of tax.
 10. TRA may refuse to register an applicant, renew the registration of a direct remitter, or may cancel the registration of a direct remitter if the direct remitter is not dealing at arm's length with a person whose registration has been suspended or cancelled or whose application for registration as a direct remitter, or renewal of registration as a direct remitter has been refused.
 11. Where TRA has:
 - refused to register an applicant as a direct remitter,
 - refused to renew the registration of a direct remitter, or
 - suspended or cancelled the registration of a direct remitterTRA will provide to the person a notice of refusal, suspension or cancellation and provide the reasons for the action.
 12. Where the person is not satisfied with TRA's decision, a Notice of Objection may be filed. Reference should be made to [Information Circular FT-9, "Audits, Objections and Waivers of Penalties and Interest"](#).

13. Should the legal status of your operation change after registration, please notify TRA immediately as a new registration in the correct name may be required.

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Sale of Fuel by a Full Direct Remitter

14. When fuel is removed from a refinery or registered terminal, a fuel transaction occurs. This includes fuel removed by full direct remitters for their own use.
15. Full direct remitters who sell fuel between each other report either the acquisition or disposition of the fuel. No tax is paid at the time a full direct remitter sells fuel to another full direct remitter or when fuel is imported to a refinery or registered terminal. The full direct remitter, however, has to report the purchase from another full direct remitter in the monthly "Generic Fuel Tax Return" and pay the tax to TRA.

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Clear Fuel

Gasoline and Diesel Fuel

16. Tax is required to be paid when clear gasoline and diesel is sold by a full direct remitter to any recipient other than a full direct remitter. However, tax is not required to be paid on clear fuel sold by a full direct remitter to a consumer eligible to purchase fuel exempt of tax if the purchaser provides proof of eligibility. Refer to [Information Circular FT-4, "Sale of Tax-exempt Fuel"](#).

Aviation Fuel

17. Full direct remitters must pay tax on sales of aviation fuel (any fuel refined or produced specifically for use in an aircraft) to recipients unless the fuel is sold to a purchaser eligible to purchase aviation fuel exempt of tax. Refer to [Information Circular FT-4, "Sale of Tax-exempt Fuel"](#) for those eligible to purchase aviation fuel exempt of tax.

Locomotive Fuel

18. No tax is paid on sales of locomotive fuel (fuel used to operate a railway locomotive or providing heat or light to railway cars attached to a locomotive). For more information, see the information circular on railways.

Bunker Fuel, Kerosene, Methanol and Condensate

19. Bunker fuel, kerosene, methanol and condensate are sold tax out. The consumer files a return and pays tax based on the volume of the fuel used for motive purposes in an internal combustion or turbine engine.

Biodiesel and Ethanol

20. Full direct remitters must pay tax on sales of biodiesel and ethanol to recipients unless it is sold to a purchaser eligible to purchase the fuel exempt from tax.

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Marked Fuel

Gasoline and Diesel Fuel

21. Full direct remitters may sell marked fuel to persons registered with TRA to deal in marked fuel for resale.
22. A full direct remitter can also sell marked fuel to consumers, but only if the consumers provide evidence of their exemption. Refer to [Information Circular FT-4, "Sale of Tax-exempt Fuel"](#) for information about those eligible to purchase marked fuel.
23. Sales of marked fuel owned by a full direct remitter are reported on the monthly "Generic Fuel Tax Return". Sales of marked fuel to consumers must be reported using the Tax Exempt Fuel Sales (TEFS) system, which is accessed via the Tax and Revenue Administration Client Self-service System ([TRACS](#)) portal. The TEFS transactions must be filed no later than 28 days after the end of the month in which the sale of marked fuel was made.
24. All sellers of marked fuel who own the fuel when sold are required to reconcile the purchases, inventory and disposition of marked fuel. A full direct remitter must reconcile marked fuel transactions with consumers and reported using the Tax Exempt Fuel Sales (TEFS) system, to the monthly "Generic Fuel Tax Return".
25. A full direct remitter selling tax-exempt fuel to an eligible consumer passes on the benefit of the tax exemption and, if applicable, the Alberta Farm Fuel Distribution Allowance (AFFDA), to the eligible consumer. A full direct remitter that does not pass on the applicable benefits is liable to the Crown for the amount of the benefit not provided to the eligible consumer.

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Export of Fuel by a Full Direct Remitter

26. A full direct remitter is permitted to sell clear fuel without charging Alberta tax if the fuel is delivered to a customer located outside Alberta and is for use outside Alberta. To be sold exempt of tax the fuel must be delivered by the direct remitter or by an independent common carrier to a location outside Alberta. If the customer is not an appointed tax collector for the jurisdiction, the direct remitter must charge the tax of the jurisdiction to the customer and remit the tax to that jurisdiction.

27. If an independent common carrier delivers the fuel, the full direct remitter is expected to obtain a bill of lading signed by both the direct remitter as shipper and the customer. Information required on the bill of lading includes the amount and type of fuel consigned to the carrier and the delivery location. Invoicing documentation is required to show that Alberta tax was not charged. TRA may require a full direct remitter to produce bills of lading supporting tax-exempt sales.
28. The expectations set out above for interprovincial exports also apply to international exports. In addition, a full direct remitter may sell fuel on a tax-exempt basis to a U.S. customer if the customer transports the fuel and the direct remitter receives an **original** "Entry Summary" (form 7501). The "Entry Summary" form must:
 - have an original U.S. Customs Department stamp and original signature for each truckload of fuel removed; and
 - include volume, product and bill of lading or ticket as stated by the U.S. Customs Department.
29. The full direct remitter must obtain the "Entry Summary" form by the end of the month following the month in which the product was lifted. If a full direct remitter fails to obtain an original "Entry Summary" form, the full direct remitter will be liable for the Alberta tax which would have been payable on the fuel lifted. The original "Entry Summary" form should be retained for audit purposes.

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Sale of Fuel Temperature Corrected

30. A full direct remitter who removes fuel, other than LPG, from a terminal must record the volumes of fuel temperature corrected to 15 ° Celsius.

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Shrinkage Allowance

31. When filing the "Generic Fuel Tax Return", a full direct remitter may claim a shrinkage allowance of 0.25 per cent of the total tax prior to adjustments.

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Returns to be Filed

Full Direct Remitter

32. A full direct remitter is required to file the "Generic Fuel Tax Return" and applicable schedules so they are received by TRA no later than 28 days after the end of the month in which the transactions occurred. The remittance must also

be received by TRA by the 28th day after the end of the month. If the due date falls on a weekend or government holiday, the due date will be the next business day.

Activity-based Direct Remitter

33. Activity-based direct remitters file returns specific to their activities. In all cases the returns and all tax payable are to be received within 28 days after the end of the calendar month in which the fuel activity took place. If the due date falls on a weekend or government holiday, the due date will be the next business day. The following returns are to be filed, as applicable:

- importer return when fuel is imported into Alberta for resale;
- consumer return when fuel is brought into Alberta and put into the fuel system of an internal combustion engine without first being sold or resold in Alberta;
- rebrand report where fuel was rebranded in Alberta;
- railway return where fuel is used in a locomotive in Alberta;
- propane tax return where a distributor of LPG sells or delivers LPG into a dispensing system in Alberta (other than a bulk storage tank) that is used to dispense LPG for use as motive fuel, or
- consumer return where bunker fuel, kerosene, methanol or condensate is used to generate motive power in an internal combustion or turbine engine.

34. An activity-based remitter who, in a particular month:

- does not use bunker fuel, kerosene, methanol or condensate to generate motive power in an internal combustion or turbine engine, or
- does not bring fuel into Alberta and put it into the fuel system of an internal combustion engine without being resold

is not required to file a return.

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Records

35. A seller of fuel, including a person who sells fuel to a consumer, must keep complete and accurate records of the volumes of each type and grade of fuel:

- purchased,
- refined or manufactured,

- sold,
 - used for their own use,
 - in inventory at the end of each month, and
 - any other transactions in fuel shown separately.
36. A seller of fuel, including a person who sells fuel to a consumer, must keep complete and accurate daily records of the volumes of each type and grade of aviation or marked fuel:
- produced,
 - transferred to another seller,
 - delivered outside Alberta, or
 - marked.
37. A seller of fuel, including a person who sells fuel to a consumer, must keep records of the volumes of bunker fuel, kerosene, methanol or condensate showing:
- volume of each type of fuel sold, and
 - the purchasers of each type of fuel, including volumes of each type of fuel purchased by each purchaser.
38. These records are to be retained for a period of six years from the end of the calendar year in which the record was created. Application may be made to TRA for destruction of the records before the end of the retention period. TRA can, before the expiration of the period for retaining records, require a person to retain the records for a longer period.
39. Records must be kept at the person's place of business or residence in Alberta or at any other place, provided written permission has been received from TRA. Where records are created electronically, the person required to keep the records must ensure any system that enables the records to be read and printed is also maintained.
40. Records are to be retained for a period of six years from the end of the calendar year in which the record was created.

Invoices

41. A direct remitter that sells clear taxable fuel to a consumer must prepare an invoice showing the name and address of the fuel seller, the date of the sale and the volume in litres of each type of fuel sold.
42. A direct remitter that sells tax-exempt fuel to a consumer must prepare an invoice showing the name and address of the vendor, the name of the purchaser, the date of the sale, the volume of fuel in litres of each type of fuel sold, the total selling price, and a statement that the selling price does not include fuel tax and, in the case of a sale to a farmer for use in farming operations, the amount of the AFFDA provided.
43. A direct remitter who sells fuel to someone who is not a consumer must prepare an invoice or other documentation showing the name and address of the seller, the name of the purchaser, the date of the sale, the rate per litre of fuel tax included in the selling price or the amount of tax charged, or both, or that the fuel was sold exempt from tax, and the volume in litres of each type of fuel sold.
44. All fuel sellers must retain one copy of an invoice or documentation prepared and provide a copy to the purchaser of the fuel.

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Contact Information and Useful Links

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