

# Tax and Revenue Administration (TRA)

## Carbon Levy Administration

### Information Circular CL-T-2R1

### Transportation Fuels – Payable, Filing and Remittance

Last updated: January 5, 2017

---

*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).

## **Transportation Fuels – Payable, Filing and Remittance**

### **Index**

- [Definition of Transportation Fuels](#)
- [When Carbon Levy is Payable](#)
- [When Carbon Levy is Not Payable](#)
- [Calculation of Carbon Levy Payable](#)
  - [Carbon Levy Payable in Special Situations](#)
    - [Carbon Levy Payable for Renewable Gasoline and Renewable Diesel](#)
    - [Carbon Levy Payable by Direct Remitters for Own Use](#)
    - [Carbon Levy Payable on Mixtures and Blends](#)
    - [Carbon Levy Payable for Rebranding Fuel](#)

---

**TAX AND REVENUE ADMINISTRATION**  
9811 - 109 STREET, EDMONTON AB T5K 2L5

- Email: [TRA.CarbonLevy@gov.ab.ca](mailto:TRA.CarbonLevy@gov.ab.ca)
- Website: [tra.alberta.ca](http://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 Returns To Be Filed](#)
  - [Direct Remitter Returns](#)
  - [Self-Assessing Consumer Returns](#)
- [Remitting the Carbon Levy](#)
- [Penalties](#)
- [Interest](#)

## Definition of Transportation Fuels

1. The term “transportation fuels” is not defined in the [Climate Leadership Act](#) (the Act) and [Regulation](#) (the Regulation). It is a term used by TRA to represent fuels such as gasoline, diesel and propane used to generate power by means of an internal combustion or turbine engine for motive purposes, as well as aviation gas, aviation jet fuel, locomotive diesel and includes additives to those fuels. Propane used for heating purposes is not included as part of the definition of transportation fuels.

Information specific to [aviation gas](#), [aviation jet fuel](#) and [locomotive diesel](#) are discussed in their own information circulars.

[Back to Index](#)

## When Carbon Levy is Payable

2. Carbon levy is payable by recipients of transportation fuels, at the rate for that type of transportation fuel (applicable carbon levy rates can be found on the [Carbon Levy Rates table](#)), including at the time the transportation fuel is:
  - purchased;
  - imported into Alberta for the purpose of sale or resale;
  - imported into Alberta and, without first having been sold or resold in Alberta, is put, in Alberta, into a fuel system that produces heat or energy;
  - sold or removed from a refinery or a terminal;
  - sold or removed from an oil battery, oil production site or oil sands processing plant;
  - sold or removed from a specified gas emitter;
  - sold, by a recipient who is the holder of a licence for exemption from carbon levy;
  - sold, by a recipient who purchased the transportation fuel exempt from the carbon levy as a holder of a carbon levy exemption certificate or other evidence of exemption (for more information on carbon levy exemptions and

licences, please see [Information Circular CL-T-3, Transportation Fuels – Exemptions and Licences](#));

- sold by the Government of Canada to the Town of Banff or the Municipality of Jasper, if the Government of Canada purchased the transportation fuel exempt from the carbon levy;
  - sold or removed from an offsite storage facility; or
  - sold in Alberta, but the transportation fuel was originally acquired exempt from the carbon levy for export from Alberta.
3. An interjurisdictional carrier pays the carbon levy on transportation fuel when the transportation fuel is purchased in Alberta, and when the transportation fuel is consumed in Alberta, if the transportation fuel was purchased outside of Alberta. The amount of transportation fuel used by the interjurisdictional carrier in Alberta is determined in accordance with the *Fuel Tax Act* and the Fuel Tax Regulation, and the amount of carbon levy and fuel tax payable is adjusted in accordance with the International Fuel Tax Agreement. For information, please see the [IFTA series of Information Circulars](#).

[Back to Index](#)

### **When Carbon Levy is Not Payable**

4. No carbon levy is payable in situations including the following, at the time the transportation fuel is:
- imported into Alberta for delivery to a refinery or terminal;
  - purchased by a recipient that:
    - a. operates a refinery; or
    - b. manufactures, refines or acquires in, or imports into, Alberta not less than a total of 500 million litres of clear gasoline or diesel annually;
  - from a recipient described in (a) or (b) above;
  - exported from Alberta in bulk;
  - purchased exempt from the carbon levy;
  - purchased by the holder of a licence for carbon levy exemption;
  - imported into Alberta for delivery to an offsite storage facility;

- imported into Alberta for delivery to an oil well, oil battery, oil production site or oil sands processing plant;
- moved from an oil battery, oil production site or oil sands processing plant to an oil battery, oil production site, oil sands processing plant or oil well;
- moved from an oil battery, oil production site or oil sands processing plant to a gas fractionation plant or gas processing facility; or
- removed from a refinery or terminal for export directly from Alberta, and documentation providing evidence of export is provided to the recipient selling or removing the transportation fuel from the refinery or terminal.

[Back to Index](#)

## Calculation of Carbon Levy Payable

5. The carbon levy payable by a direct remitter for a reporting period is reported on the carbon levy return for transportation and other fuels. The return should include the volume of transportation fuels on which the carbon levy is payable (see paragraph 2) and the volume of transportation fuels on which the carbon levy is not payable (see paragraph 4) for the reporting period.
6. The reporting period for carbon levy on transportation fuels is a calendar month.

[Back to Index](#)

## Carbon Levy Payable in Special Situations

### *Carbon Levy Payable for Renewable Gasoline and Renewable Diesel*

7. If the proportion of:
  - renewable gasoline in an amount of gasoline is greater than 10%; or
  - renewable diesel in an amount of diesel is greater than 5%;

the carbon levy payable by a direct remitter for the reporting period on the gasoline or diesel is determined by the formula:

$$(A - B) \times C / D$$

where

A is the amount of gasoline or diesel;

B is the amount of renewable gasoline in the amount of the gasoline, or the amount of renewable diesel in the amount of diesel;

C is the carbon levy rate for gasoline or diesel;

D is 95% for gasoline, or 98% for diesel.

[Back to Index](#)

### *Carbon Levy Payable by Direct Remitters for Own Use*

8. A direct remitter's carbon levy payable on their own use of transportation fuel is the sum of the amounts determined under paragraphs 10, 11 and 12 for the transportation fuel used by the direct remitter in the reporting period.

9. A direct remitter's own use of transportation fuel does not include:

- transportation fuel purchased and used by the direct remitter that the direct remitter was not entitled to purchase exempt from the carbon levy;

or

- biomethane that the direct remitter added to the transportation fuel.

10. The carbon levy payable by a direct remitter for their own use of transportation fuels for the reporting period is determined by the formula:

$$(A - B) \times C$$

where

A is the amount of the transportation fuel that was used by the direct remitter for the reporting period;

B is the amount of the transportation fuel in respect of which the direct remitter was exempt from paying the carbon levy;

C is the carbon levy rate for the transportation fuel, at the time the transportation fuel was used.

11. If gasoline or diesel is used by the direct remitter and the proportion of:

- renewable gasoline in the amount of gasoline is greater than 10%; or
- renewable diesel in the amount of diesel is greater than 5%;

the carbon levy payable by the direct remitter for the reporting period on the gasoline or diesel is determined by the formula:

$$(A - B) \times C / D$$

where

A is the amount of gasoline or diesel;

B is the amount of renewable gasoline or renewable diesel, in the amount of gasoline or diesel;

C is the carbon levy rate for gasoline or diesel;

D is 95% for gasoline, or 98% for diesel.

12. Note that if the carbon levy rate applicable to a transportation fuel used by a direct remitter changes in the reporting period and the direct remitter is unable to determine the amount of transportation fuel used on each day in the reporting period, the carbon levy payable for the reporting period must be determined by the formula:

$$(A \times B \times C / D) + (A \times E \times F / D)$$

where

A is the amount of transportation fuel subject to the carbon levy that was used in the reporting period;

B is the carbon levy rate for the transportation fuel prior to the rate change;

C is the number of days in the reporting period during which rate B was in effect;

D is the number of days in the reporting period;

E is the carbon levy rate for the transportation fuel after the rate change;

F is the number of days in the reporting period during which rate E was in effect.

[Back to Index](#)

### *Carbon Levy Payable on Mixtures and Blends*

13. The following discussion does not apply to diesel or locomotive diesel. A direct remitter must determine the carbon levy payable on mixtures and blends of transportation fuels in accordance with specific rules. If a substance includes amounts of more than one fuel and the substance has not been prescribed as a mixture or blend, the carbon levy payable is determined as if the substance is the fuel present in the highest proportion in the substance.
14. A substance is prescribed as a mixture or blend of fuels if:
- The proportion of each fuel included in a substance that contains more than one fuel is known; or

- The proportion of any fuel included in a substance that contains more than one fuel, other than the fuel present in the highest amount, exceeds 10 per cent.

For the latter case, the proportions of each fuel in the substance must be determined.

15. The carbon levy payable on a mixture or blend is the aggregate of the amounts for each fuel included in the mixture or blend determined in accordance with the formula:

$$A \times B$$

where

A is the amount of the particular fuel included in the mixture or blend;

B is the carbon levy rate for that type of fuel, at the time the carbon levy is required to be paid.

16. If the carbon levy rate applicable to a fuel included in a mixture or blend changes in a reporting period and the recipient is unable to determine the amount of fuel used on each day in the reporting period, the carbon levy payable for the reporting period is the aggregate of the amounts for each fuel included in the mixture or blend determined in accordance with the formula:

$$(A \times B \times C/D) + (A \times E \times F/D)$$

where

A is the amount of fuel subject to the carbon levy that was used in the reporting period;

B is the carbon levy rate for the fuel prior to the rate change;

C is the number of days in the reporting period during which rate B was in effect;

D is the number of days in the reporting period;

E is the carbon levy rate for the fuel;

F is the number of days in the reporting period during which rate E was in effect.

[Back to Index](#)

## *Carbon Levy Payable for Rebranded Fuel*

17. The carbon levy required to be paid by a recipient when fuel is rebranded is the amount by which:

A exceeds B

where

A is the carbon levy payable that would be required to be paid on the fuel after it is rebranded;

B is the carbon levy payable that was required to be paid on the fuel before it was rebranded;

if the carbon levy rate that applies to the fuel after it is rebranded is higher than the carbon levy rate that applied to the fuel before it was rebranded. A refund of carbon levy may be provided if the carbon levy rate after the fuel has been rebranded is lower than the rate before the fuel is rebranded.

[Back to Index](#)

## **Carbon Levy Returns to be Filed**

### ***Direct Remitter Returns***

18. A direct remitter of transportation fuels (is required to file a monthly carbon levy return with TRA using the Tax and Revenue Administration Client Self-Service ([TRACS](#)) system. The monthly carbon levy return must be received by TRA through TRACS no later than 28 days after the end of the month in which the transactions occurred. For more information on direct remitters of transportation fuels, see [Information Circular CL-T-1, Transportation Fuels – Registration](#).

[Back to Index](#)

### ***Self-Assessing Consumer Returns***

19. A consumer who purchases transportation fuels excluding carbon levy and who subsequently uses the fuel for non-exempt purposes must file a self-assessing consumer return with TRA using the [TRACS](#) system. Examples of non-exempt use include marked gasoline or marked diesel purchased exempt from carbon levy for use in an oil and gas production process and subsequently the marked gasoline or marked diesel were used for other purposes; or fuel sold in Alberta that was originally acquired exempt from carbon levy for export from Alberta.
20. A consumer who imports transportation fuel into Alberta, as described in paragraph 3, that without first having been sold or resold in Alberta, is put, in



Alberta, into a fuel system that produces heat and energy must also file a self-assessing consumer return with TRA.

21. A self-assessing consumer return must be submitted through [TRACS](#) and the related carbon levy payable remitted to TRA no later than 28 days after the end of the month the transportation fuel is used for non-exempt purposes.

[Back to Index](#)

## Remitting the Carbon Levy

22. A recipient, other than a direct remitter, generally remits the carbon levy payable to the person that supplied the recipient with the transportation fuel. Where the supplier is a direct remitter, the direct remitter must remit the carbon levy payable to TRA.
23. The carbon levy payable as reported on the carbon levy return for a reporting period must be received by TRA by the 28th day after the end of the month. If the payment due date falls on a weekend or government holiday, the due date will be the next business day.
24. For an interjurisdictional carrier, the carbon levy payable must be paid to TRA at the same time and in the same manner as the interjurisdictional carrier remits the fuel tax to TRA under the [Fuel Tax Act and Regulation](#).
25. There are several options for remitting the carbon levy payment to TRA including:
  - pay online using Electronic Payment through your financial institution;
  - pay using wire transfer; or
  - pay by mail, courier or in person. Cheques and money orders should be made payable to the Government of Alberta.

For more information on making a payment to TRA, please see [Making Payments](#).

[Back to Index](#)

## Penalties

26. If you do not submit a return as, and when required, TRA may assess a penalty against you.

[Back to Index](#)

## Interest

27. If a payment is late or insufficient, you will be charged interest on the amount that is not paid.

[Back to Index](#)

## Contact Information and Useful Links

|   |  |
|---|--|
| Contact Tax and Revenue Administration (TRA): | Email: <a href="mailto:TRA.CarbonLevy@gov.ab.ca">TRA.CarbonLevy@gov.ab.ca</a>    |
| Visit our website:                            | <a href="http://tra.alberta.ca">tra.alberta.ca</a>                               |
| Subscribe to receive email updates:           | <a href="http://tra.alberta.ca/subscribe.html">tra.alberta.ca/subscribe.html</a> |
| TRA Client Self-Service (TRACS):              | <a href="http://tra.alberta.ca/tracs">tra.alberta.ca/tracs</a>                   |