

Tax and Revenue Administration

Carbon Levy Exemptions

Fact Sheet

Types of Exemptions

- Specified Gas Emitter (SGE): sites opted-in under the Carbon Competitiveness Incentive Regulation whose emissions are included in their SGE site reporting



- Aviation fuel used in inter-jurisdictional flights, when used on flights between Alberta and other jurisdictions outside of Alberta

- Indigenous use: fuel purchased on-reserve for personal or band use by an eligible person
- Diluent, solvent or raw material use, when not combusted
- Biofuels: ethanol, biodiesel and biomethane
- All fuels used in an oil and gas production process before 2023 (except clear gasoline and clear diesel) when used in a [production process integral in the operation of a\(n\)](#):
 - gas or oil well
 - gas battery
 - gas gathering system
 - compressor station or facility
 - gas processing facility
 - gas fractionation plant
 - straddle plant
 - oil battery
 - oil production site other than one that includes 1 or more thermal wells
- Government of Canada and its agencies, on all fuel types



- Armed forces and diplomats of another country
- Farmers for farming operations with active Alberta Farm Fuel Benefit numbers on marked gasoline or marked diesel
- Government of Canada and government agencies, on all fuel types
- Armed forces and diplomats of another country

More Information

See the Carbon Levy Information Circulars and Special Notices and other publications on our [website](#) for more information.

Exemption Certificates

[Eligible persons may apply for a carbon levy exemption certificate](#) by completing the AT5102 - Carbon Levy Fuel User Exemption Application form and Schedules A, B and/or C (if applicable).

Operators of multiple joint ventures only need to complete one exemption application form.

Once approved, Tax and Revenue Administration (TRA) will issue a Carbon Levy Exemption Certificate (CLEC). Those approved for multiple types of activities may be issued one CLEC for:

- each SGE facility
- all oil and gas production processes / sites
- fuel used as a raw material, diluent or solvent, if any.

The CLEC does not have a specific expiry date or require renewal. Generally, the CLEC expires when the applicant ceases to be entitled to purchase fuel exempt from the carbon levy. A CLEC is subject to suspension or cancellation for failure to observe or comply with the provisions of the *Climate Leadership Act* and the Climate Leadership Regulation.



An exempt-sale vendor or natural gas retailer may verify the authenticity of a CLEC by checking the exemption number against the listing in the Tax and Revenue Client Self-service (TRACS) application.

Contact TRA or visit the [TRACS](#) webpage for access.

Natural Gas Site IDs

Those applying for a natural gas exemption may be required to supply a 13-digit site identification number, located on your natural gas bill. TRA will include the site IDs provided on the exemption certificate to provide to natural gas retailers.

Contact TRA if you are a natural gas retailer and have been provided an exemption certificate number without a site ID.

Contractors on Eligible Sites

Generally, a person requires a Tax Exempt Fuel User (TEFU) certificate to possess marked fuel in Alberta. However, it is acceptable for a contractor to use marked fuel provided by an SGE in their unlicensed equipment for work performed for the SGE while on the SGE's site.

The SGE should have both the TEFU and CLEC for marked fuel in order to receive the partial fuel tax exemption and the full carbon levy exemption.

The SGE is not required to verify and record the contractor's TEFU and CLEC numbers.

Contractors may want to apply for their own CLEC to purchase marked fuel exempt from the carbon levy or apply for a rebate on fuel uses.

Confirmation must be provided from the SGE that the contractor's emissions on the fuel brought onto the site by the contractor are included in the SGE reporting (as defined under the Carbon Competitiveness Incentive Regulation).

Notify TRA in Writing

- when the operator of a joint venture has changed (do not notify TRA if there is only a change in the other participants in the joint venture)
- when a re-organization or name change has occurred
- when the operator of a partnership has changed (do not notify TRA if only partners other than the operator of the partnership change)

Connect with Tax and Revenue Administration

Hours: 8:15 am to 4:30 pm (open Monday to Friday, closed statutory holidays)

Phone: 780-644-4300

Toll free: 310-0000 before the phone number (in Alberta)

Email: tra.carbonlevy@gov.ab.ca