

Tax and Revenue Administration (TRA)

Fuel Tax Act

Information Circular FT-12R3

Fuel Sellers

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.

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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.



Definition of Fuel Seller

1. The term “fuel seller” is not defined in the *Fuel Tax Act* (Act) or in the Fuel Tax Regulation. It is a term used by Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA), to represent any person (other than a liquid petroleum gas (LPG) seller or distributor) that carries on an activity listed in the next paragraph. Under the Act, the word “sell” means to sell or otherwise supply fuel with or without receiving consideration. A fuel seller that meets the criteria for a full direct remitter or an activity based direct remitter will register under separate requirements as found in [Information Circular FT-11, *Direct Remitter*](#). LPG sellers should refer to the [Propane \(PRO\) series of Information Circulars](#).
2. A fuel seller must register under the Act if that seller carries on any of the following activities:
 - selling fuel for the purpose of resale,
 - selling aviation fuel,
 - selling clear fuel exempt from tax,
 - selling marked fuel partially exempt from tax,
 - rebranding fuel for sale at a lower tax rate,
 - exporting fuel from Alberta in bulk, or
 - selling bunker fuel, kerosene, methanol or condensate.

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Registration of Fuel Sellers

3. Persons that conduct any of the activities set out in the previous paragraph are required to register with TRA for each activity they perform.
4. A fuel seller selling marked fuel will normally fall into one of three business categories:
 - The fuel seller that sells marked fuel that it owns at the time of sale is required to register with TRA using the [“Fuel Tax Registration” \(form AT4905\)](#).

- The fuel seller that sells marked fuel owned by a full direct remitter at the time of sale. This fuel seller effectively performs a delivery function and should not register with TRA. The full direct remitter must register on this fuel seller's behalf and provide a list of all the direct remitter's related bulk fuel locations (BFLOs), including the fuel seller's location. This seller is identified as one of the ["Approved Fuel Sellers – Full Direct Remitter"](#) on TRA's website.
 - The fuel seller that sells fuel that it owns at the time of sale and also sells fuel owned by a full direct remitter at the time of sale. These locations are registered using the ["Fuel Tax Registration" \(form AT4905\)](#).
5. TRA reviews each application for registration and approves an applicant for the specific activities the applicant is registered to conduct.
 6. A fuel seller that sells clear fuel exempt from tax or marked fuel partially exempt from tax to consumers will also be registered by TRA as an "exempt-sale vendor". See [Information Circular FT-13, Exempt-sale Vendors](#), for more information.
 7. TRA may refuse to register an applicant as a fuel seller, to renew the registration of a fuel seller, or may cancel or suspend the registration if the fuel seller
 - has contravened the *Fuel Tax Act* or Fuel Tax Regulation, another Alberta law, or a law of another jurisdiction governing the collection and payment of tax; or
 - is not dealing at arm's length with a person whose registration has been suspended or cancelled or whose application for registration has been refused.

The applicant will be notified by TRA of the decision and the reasons for the refusal will be stated in the notification.

8. If the person is not satisfied with TRA's decision relating to the registration, the person may file a Notice of Objection. See [Information Circular FT-9, Audits, Objections, and Waivers of Penalties and Interest](#), for more information.

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Sale of Fuel

Clear Fuel

Gasoline and Diesel Fuel

9. A fuel seller purchases clear gas and diesel with the tax included. Tax paid by the fuel seller may be recovered from the purchaser when the fuel is sold. If the fuel seller is a registered exempt-sale vendor and sells fuel to an eligible consumer (see [Information Circular FT-13, Exempt-sale Vendor](#), for more information), the fuel seller may apply to TRA for a refund of the tax paid.

Aviation Fuel

10. A fuel seller purchases aviation fuel (any fuel refined or produced specifically for use in an aircraft) with the tax included. Tax paid by the fuel seller may be recovered when the aviation fuel is sold. The seller may apply to TRA for a tax refund if the aviation fuel is sold for international flights (see [Information Circular AV-1, Aviation Fuel Tax – International Flights](#), for more information).

Bunker Fuel, Kerosene, Methanol and Condensate

11. Bunker fuel, kerosene, methanol and condensate are not taxable when purchased by a fuel seller. These fuels are sold out to the consumer. A consumer will report and pay tax directly to TRA only if the bunker fuel, kerosene, methanol or condensate is used by the consumer to generate motive power in an internal combustion or turbine engine. The consumer will use the [Consumer Return \(AT2080\)](#) for reporting the tax.

Locomotive Fuel

12. When a fuel seller sells locomotive fuel to a railway, no tax will be charged on the diesel fuel. The fuel seller will claim a refund of the tax paid by rebranding to locomotive fuel at a zero tax rate.

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Marked Fuel

13. A registered fuel seller purchases marked gasoline and diesel partially exempt from tax and sells the marked fuel to persons registered with TRA to possess marked fuel. For more information about the sale of tax-exempt fuel and tax exemption certificates, see Information Circulars [FT-13, Exempt-sale Vendors](#), and [FT-3, Fuel Tax Exemption Certificates](#).
14. A fuel seller can sell marked fuel for resale only to registered exempt-sale vendors or to fuel sellers that are registered with TRA to sell or possess marked fuel. All entities registered to sell marked fuel will be listed on the TRA's website.

15. A consumer **must** possess a valid fuel tax exemption certificate to be eligible to purchase or possess marked fuel. A fuel seller that sells marked fuel to a consumer is required to verify the consumer's eligibility at the time of sale to the consumer (see [Information Circular FT-13, Exempt-sale Vendor](#)). A consumer's eligibility can be confirmed using TRA's Tax-Exempt Fuel Sales (TEFS) system located in the Tax and Revenue Administration Client Self-service ([TRACS](#)) portal.

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Sales to Ineligible Consumers

16. If an exempt-sale vendor sells tax-exempt fuel without obtaining proof of the purchaser's eligibility, or knows, or ought to know, the fuel will not be used for an authorized purpose, both the exempt-sale vendor and the purchaser are jointly and severally liable to pay TRA the amount of the tax the purchaser would have been required to pay on the fuel.

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Export of Fuel

17. A fuel seller that owns the fuel may export fuel from Alberta in bulk and not charge the customer the tax if the fuel seller delivers the fuel, or hires a common carrier to deliver the fuel, to a customer outside Alberta and the fuel is used outside Alberta. However, the fuel seller must ensure that the tax of the jurisdiction to which the fuel is delivered is paid to that jurisdiction. The fuel seller may claim a refund of the Alberta tax paid by completing the "[Independent Fuel Sellers – Fuel Tax Adjustments](#)" (form AT372) and related schedules and submitting the forms to TRA. See [Information Circular FT-6, Tax Refunds](#), for more information.

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Import of Fuel

18. A fuel seller that imports fuel into Alberta for resale or use is required to register as an activity-based direct remitter using the "[Fuel Tax Registration](#)" (form AT4905). See [Information Circular FT-11, Direct Remitter](#), for more information.

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Reporting Requirements

19. A fuel seller that owns the marked fuel when it is sold must report the marked fuel sales to TRA using the TEFS system through [TRACS](#). The TEFS report is to be filed electronically through the Internet or through Secure File Transfer Protocol (SFTP) by the owner of the fuel when it is sold. All marked fuel transactions have to be filed no later than 28 days after the end of the month in which the sales were made. The fuel seller must reconcile the purchase inventory and sale of marked fuel it owns.
20. Marked fuel sales made by a seller that sold fuel on behalf of a full direct remitter are to be included in the TEFS reports filed by the full direct remitter. A full direct remitter is required to reconcile marked fuel transactions on the “Alberta Fuel Tax Return Summary Form” ([form FTG-5](#) for Gasoline and Related Products or [form FTD-5](#) for Diesel and Related Products).
21. A fuel seller that sells clear fuel owned by a full direct remitter at the time of sale does not report the sale. The full direct remitter is to report the sale on the “Alberta Fuel Tax Return Summary Form” ([form FTG-TAX](#) for Gasoline and Related Products or [form FTD-TAX](#) for Diesel and Related Products).
22. Effective March 27, 2015, the tax rate on clear fuel increased from \$0.09 per litre to \$0.13 per litre. However, since the exemption of tax on marked fuel is capped at \$0.09 per litre, the rebate TRA will provide to a fuel seller for clear fuel dyed at the pump remains at \$0.09 per litre. Therefore, a fuel seller is required to charge consumers \$0.04 per litre on sales of clear fuel dyed at the pump and report and remit to TRA \$0.04 per litre on those sales.

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Refund of Tax

23. A fuel seller that sells its own clear fuel product exempt from tax to eligible purchasers should report the sale to TRA to obtain a refund of the tax paid. The fuel seller will claim the refund using the “Independent Fuel Sellers – Fuel Tax Adjustments” ([form AT372](#)) and applicable schedules. See [Information Circular FT-6, Tax Refunds](#), for more information.
24. A fuel seller that owns the fuel when there is theft, destruction, contamination or bad debts associated with fuel sales may claim a refund. The process for claiming a refund of tax is described in [Information Circular FT-6, Tax Refunds](#). Where a direct remitter owns the fuel the claim for refund of tax is made using the “Alberta Fuel Tax Return Summary Form” ([form FTG-TAX](#) for Gasoline and Related Products or [form FTD-TAX](#) for Diesel and Related Products).

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Rebrand of Fuel

25. A fuel seller that rebrands its own fuel to a lower or zero rate of tax must file the “Independent Fuel Sellers – Fuel Tax Adjustments” ([form AT372](#)) and applicable schedules with TRA to obtain a refund of the tax. See [Information Circular FT-6, Tax Refunds](#), for more information.
26. The full direct remitter reports any fuel it owned at the time of rebrand that was rebranded by a fuel seller using the “Alberta Fuel Tax Return Summary Form” ([form FTG-TAX](#) for Gasoline and Related Products or [form FTD-TAX](#) for Diesel and Related Products).

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Records

27. A fuel seller must keep complete and accurate records of the volumes of each type and grade of fuel purchased, sold, used for the fuel seller’s own use and in inventory at the end of each month, as well as any other transactions in fuel shown separately.
28. A fuel seller must keep complete and accurate daily records of the volumes of each type and grade of aviation or marked fuel transferred to another seller or delivered outside Alberta or fuel it marks.
29. A seller, including a vendor, of bunker fuel, kerosene, methanol or condensate must keep records of the volumes of sales of each type of fuel and the volume of each type of fuel purchased by each purchaser.
30. Records must be retained for a period of six years from the end of the year in which the record was created.
31. Where a fuel seller receives a refund, rebate, allowance, grant or reimbursement under the Act or regulations, the fuel seller must keep complete and accurate records of its purchases, possession and disposition of fuel and all documents relating to, and supporting, any claim for a refund, rebate, allowance, grant or reimbursement.
32. A fuel seller that receives a refund, rebate, allowance, grant or reimbursement must keep records
 - for a period of six years from the end of the calendar year in which the fuel was purchased; or
 - a period of four years from the end of the calendar year in which the refund, rebate, allowance, grant or reimbursement was paid;

whichever is later.

33. Records must be kept at the place of business or residence in Alberta unless the fuel seller has obtained written approval from TRA to keep the records at another location.
34. A fuel seller must give an employee of TRA, or an officer, access to the records required to be kept under the Act. A reasonable time will be provided to the fuel seller to do so.
35. An application may be made to TRA for permission to destroy records before the end of the retention period. Also, TRA may, before the expiration of the period for retaining records, require a fuel seller to retain the records for a longer period. Where electronic records are created a fuel seller must ensure that a computer system enables the records to be read and printed is maintained.

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Invoicing Requirements

36. A fuel seller who 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.
37. A fuel seller that sells tax-exempt fuel to a consumer must prepare an invoice showing the name and address of the seller, the name of the purchaser, the date of the sale, the volume in litres of each type of fuel sold, the amount of any tax charged, and the total selling price.
38. A fuel seller that sells fuel to someone that 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 or partially exempt from tax, and the volume in litres of each type of fuel sold.
39. Whether a consumer, sole proprietor, partnership or corporation, the purchaser's name appearing on fuel invoices for tax-exempt sales must match the legal name used on the fuel tax exemption certificate (TEFU or AFFB number registration). This ensures fuel invoices clearly show the party that purchased the fuel and received the tax exemption or partial exemption. It is advisable to refer to the TEFS system to determine the exact name of the entity holding the fuel tax exemption certificate prior to making a marked fuel delivery or sale.
40. If a person has a sole proprietorship and an incorporated business, both entities should have separate exemption certificates to purchase fuel for their separate eligible commercial activities. To be eligible, each legal entity must have its own exemption certificate.
41. All fuel sellers must retain one copy of an invoice or documentation prepared and provide a copy to the purchaser of the fuel.

Contact Information and Useful Links

Contact Tax and Revenue Administration (TRA):	Email: TRA.Revenue@gov.ab.ca
Visit our website:	http://tra.alberta.ca
Subscribe to receive email updates:	http://tra.alberta.ca/subscribe.html
TRA Client Self-Service (TRACS):	http://tra.alberta.ca/tracs

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