

Tax and Revenue Administration (TRA)

Fuel Tax Act

Information Circular FT-3R2

Fuel Tax Exemption Certificates

Last updated: February 9, 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).

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*.

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- Website: tra.alberta.ca
- Phone: 780-427-3044
- Fax: 780-427-0348

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



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Fuel Tax Exemption Certificates

1. The *Fuel Tax Act* allows specific consumers to apply for certificates, issued by Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA) or Alberta Agriculture and Forestry (Agriculture), which allow fuel to be purchased exempt or partially exempt from tax. There are two types of certificates available to consumers. The first type of certificate permits consumers to purchase clear fuel exempt from tax. The second type of certificate permits consumers to purchase marked fuel partially exempt from tax.

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Exemption Certificates to Purchase Clear Fuel

Who is Eligible to Apply for a Certificate

2. Consumers may apply to TRA for a fuel tax exemption certificate to purchase **clear** fuel from an exempt-sale vendor without tax where:
 - the person who purchases liquefied petroleum gas (LPG) from a registered distributor uses the LPG in mining operations in Alberta, or
 - the Indian or Indian band purchases fuel for personal use and the purchase is made on a reserve, or on the Garden River settlement or Heart Lake before April 1, 2008 or such later date as determined by the President of Treasury Board and Minister of Finance (the Minister).

Application for a Certificate

Mining Operations in Alberta

3. An applicant engaged in mining operations in Alberta wanting to purchase LPG exempt from tax is required to send a letter to TRA requesting an exemption. If the application is approved, TRA will send an approval letter to the applicant and notify all LPG distributors of the applicant's eligibility to purchase LPG exempt from tax.

Indians and Indian Bands

4. An eligible Indian consumer may apply for a certificate to purchase clear fuel exempt from tax. The rules on eligibility and the procedures for establishing and maintaining eligibility are provided in [Information Circular AITE-2, Tax-exempt Purchases Made by Eligible Consumers](#). Where TRA approves the application, an exemption card will be issued to Indians who are at least 16 years of age or to Indian Bands. Where an Indian band has applied for the issuance of multiple exemption cards they will be issued on the conditions TRA has specified.

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Exemption Certificates to Purchase Marked Fuel

Who is Eligible to Apply for a Certificate

5. Consumers may apply for a fuel tax exemption certificate to purchase **marked** fuel partially exempt from tax from an exempt-sale vendor where the fuel is for one of the following uses:
 - commercial purposes in an engine owned or operated by the consumer, **but does not include** an engine that drives a motor vehicle, boat or aircraft, or the fuel is used solely to regulate the temperature of a trailer or container used for the commercial transportation of goods;
 - commercial purposes in a motor vehicle not required to be licensed;
 - by a government authority, other than the Canadian government, in an engine owned or operated by the government authority, other than an engine that drives a motor vehicle, boat or aircraft;
 - by a government authority, other than the Canadian government, in a motor vehicle not required to be licensed;
 - to produce heat or light but does not include a motor vehicle, boat, aircraft, locomotive, trailer or container used for the commercial transportation of goods;
 - any purpose other than burning the fuel in an internal combustion or turbine engine; or
 - for farming operations in Alberta carried out by a farmer.

The partial exemption on marked fuel is \$0.09 per litre.

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Application for a Certificate

Consumers - other than farmers

6. To be eligible to purchase marked fuel, a consumer is required to apply to TRA for a fuel tax exemption number by completing and submitting a "Declaration of Tax Exempt Fuel User" ([form AT321](#)) to TRA. TRA will review the application and may issue a fuel tax exemption certificate once it is satisfied of the applicant's eligibility. The fuel tax exemption certificate will contain an approval number and an expiry date.

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Farmers

7. To be eligible to purchase marked fuel, a farmer will need to obtain an Alberta Farm Fuel Benefit (AFFB) number by completing and submitting an [AFFB application](#) to Agriculture at the address shown on the form. Agriculture will review the application and may issue an AFFB fuel tax exemption certificate if satisfied the applicant is eligible for the AFFB benefits. The fuel tax exemption certificate includes an approval number and an expiry date.
8. Consumers eligible for both a TEFU and AFFB certificate may register for only one certificate.

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Legal Name of Applicant

9. The applicant's legal name is to appear on the application for a fuel tax exemption certificate and will match the legal name used to purchase fuel fully or partially exempt from tax from the exempt-sale vendor. This ensures fuel invoices clearly show the party who purchased the fuel and received the tax exemption or partial exemption.
10. If a person has a sole proprietorship and an incorporated business, both entities must have separate exemption certificates to purchase fuel for their separate eligible commercial activities. If applying for an exemption certificate to obtain marked fuel for use by a partnership, the partners' legal names are to be provided with the application. If the partners perform other eligible commercial activities, separate from the partnership's eligible commercial activities, each partner should also apply for a separate exemption certificate. Fuel purchased under a specific exemption certificate can only be used for the operations of that entity.

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Certificates and Cards – General

Expiration

11. Fuel tax exemption certificates expire on the earliest of:
 - the expiry date shown on the certificate,
 - the date the certificate holder ceased to conduct the activities that qualified him to obtain the certificate, or
 - the date the certificate is cancelled by TRA.
12. The expiry date of a certificate, or a series of certificates, may be extended by the Minister where considered appropriate. A fuel exemption certificate remains valid until it expires or is suspended or cancelled.

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Amendment of Approval Numbers

13. TRA may amend an approval number at any time by notification to the holder of the fuel tax exemption certificate. When an amendment is made, the previous approval number ceases to be in force.

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Refusal to Issue Tax Exemption Certificates

14. TRA or Agriculture may refuse to issue a fuel tax exemption certificate if the applicant:
 - does not meet the requirements to be issued a certificate,
 - has contravened the Act or its Regulation or another enactment that imposes tax,
 - has already been issued a valid certificate,
 - has an overdue debt to the Crown,
 - is a farmer and Agriculture has determined the applicant provided an unreasonable estimate of his/her market value of production from farming operations, or
 - has provided false or misleading information on the application.

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Suspension or Cancellation of Exemption Certificate

15. TRA or Agriculture may suspend or cancel a fuel tax exemption certificate if the holder:
- no longer meets the requirement to possess a card,
 - has contravened the Act or its Regulation or any other enactment that imposes a tax or levy,
 - has an overdue debt to the Crown,
 - has lost the exemption certificate, or had it stolen, destroyed, or made unusable because of damage, or
 - provided false or misleading information to TRA or Agriculture.
16. Where TRA or Agriculture has suspended or cancelled a fuel tax exemption certificate or declared a federal identification card to be invalid for our purposes, the holder of the certificate or card will be notified of the action taken. Exempt-sale vendors will also be notified of the suspension, cancellation or invalidation of the card.
17. Where a tax exemption certificate has been cancelled or suspended the approval number is also cancelled or suspended.

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Declaring Exemption Card Invalid

18. TRA may declare a card issued by the Government of Canada stating that the holder is on the Indian Register under the Indian Act (federal identification card) to be invalid for purposes of the Act if:
- TRA determines the holder has contravened the Act or its Regulation or any other enactment that provides for the imposition of a tax or levy, or
 - the holder of the card has an overdue debt to the Crown.
19. Where TRA declares a federal identification card to be invalid because of an overdue debt to the Crown and the debt is subsequently paid, the Indian or Indian band may apply to TRA for a new fuel tax exemption certificate.
20. TRA or Agriculture may reinstate a fuel tax exemption certificate that was suspended because of an overdue debt due the Crown. Upon reinstatement TRA will notify the cardholder and any relevant exempt-sale vendors.

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Contact Information and Useful Links

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

Superseded