

Tax and Revenue Administration (TRA)

Carbon Levy Administration

Information Circular CL-ID-7R1

Inventory Declaration

Last updated: November 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.

Inventory Declaration

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Definitions

1. In this information circular a person is a recipient of fuel, and includes a sole proprietor, a corporation, a partnership, a trust.
2. An owner means the person who is the legal owner, or in lawful possession of the fuel.

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



3. Possession means to either:
- be in the state of having the fuel in one's own personal possession; or
 - be in the state of knowingly having the fuel in the actual possession of another person, other than the person from whom the fuel was purchased.

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January 1, 2017 Carbon Levy Inventory Declaration

Fuel Subject to the Carbon Levy

4. Effective January 1, 2017 at 12:01 a.m., the [Climate Leadership Act \(the Act\) and the Climate Leadership Regulation \(the Regulation\)](#), which are administered by Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA) came into force. This means on January 1, 2017 at 12:01 a.m. a person that:
- is the owner of fuel (fuel means a substance set out in the [carbon levy rates table](#));
 - is in possession of fuel for sale or resale in Alberta; and
 - would have been required to pay a carbon levy on the fuel at the time the fuel was purchased or imported had the Act and the Regulation been in effect when the fuel was purchased or imported into Alberta;
- must file a Declaration of Fuel Inventory form and remit the carbon levy payable to TRA.
5. TRA must receive the Declaration of Fuel Inventory form and payment not later than 30 days following the day on which the carbon levy rate applicable to that type of fuel changed.

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Carbon Levy Payable

6. The carbon levy payable on the declared fuel is determined by the formula:

A x B – where,

where,

A is the quantity of fuel in the person's possession on January 1, 2017 at 12:01 a.m.;

B is the carbon levy rate (applicable rates set out in the [carbon levy rates table](#)) for the fuel on January 1, 2017.

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Fuel Not Subject to the Carbon Levy

7. Carbon levy is not payable on fuel if:
 - the person is entitled to purchase that fuel exempt from the carbon levy on January 1, 2017; or
 - a carbon levy would not have been required to have been paid on that fuel had the Act and the Regulation been in effect when the fuel was purchased or imported into Alberta.
8. Pre-packaged fuels in factory sealed containers of 10 litres or less are exempt from the carbon levy.
9. More information on fuel purchases that are exempt from the carbon levy can be found in the following information circulars:
 - [CL-T-3: Exemptions and Licences for transportation fuels](#)
 - [CL-NG-3: Exemptions and Licences for natural gas](#)
 - [CL-OF-3: Exemptions and Licences for other fuels](#)
 - [CL-AV-3: Exemptions and Licences for aviation gas and aviation jet fuel](#)

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Changes in Carbon Levy Rates

10. If a change in the carbon levy rate applicable to a fuel takes effect between the time a person purchases the fuel and the time the person takes delivery of the fuel, the carbon levy on the fuel is payable at the rate that is in effect on the day the person takes delivery of the fuel.
11. If, at the beginning of a day on which the carbon levy rate applicable to a type of fuel changes, a person that
 - is the owner of fuel; 3
 - is in possession of fuel for sale or resale in Alberta; and
 - was required to pay a carbon levy on the fuel at the time the fuel was purchased or imported into Alberta;

must file a Declaration of Fuel Inventory form and remit the carbon levy payable to TRA.

12. TRA must receive the Declaration of Fuel Inventory form and payment not later than 30 days following the day on which the carbon levy rate applicable to that type of fuel changed.

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Carbon Levy Rates Increased

13. If the carbon levy rate on the fuel has increased, a person that files a Declaration of Fuel Inventory Form as required in paragraph 11 and must pay to TRA, the amount determined by the formula:

$A - B$

where

A is the carbon levy that would otherwise be required to be paid on the fuel if the fuel had been purchased on the day the rate on the fuel increased;

B is the carbon levy that was required to be paid by the person on the fuel.

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Carbon Levy Rate Decreased

14. If the carbon levy rate on the fuel has decreased, a person that files a Declaration of Fuel Inventory Form as required in paragraph 11, is entitled to a refund of the portion of the carbon levy that was paid for that fuel equal to the amount determined by the formula:

$B - A$

where

A is the carbon levy that would otherwise be required to be paid on the fuel if the fuel had been purchased on the day the rate on the fuel decreased;

B is the carbon levy that was required to be paid by the person on the fuel.

15. TRA must refund the amount determined by the formula above to the person once TRA is satisfied that the person is entitled to the refund.

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Carbon Levy Online Inventory Declaration Forms

The Carbon Levy Online Inventory Declaration Forms and all related information, including instruction guides highlighting the required information to complete the online form, are available at <http://tra.alberta.ca/declaration>.

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Contact Information and Useful Links

Contact Tax and Revenue Administration (TRA):	Email: TRA.CarbonLevy@gov.ab.ca
Visit our website:	tra.alberta.ca
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TRA Client Self-Service (TRACS):	tra.alberta.ca/tracs