



Carbon Tax Act
CARBON TAX REGULATION
B.C. Reg. 125/2008

Deposited June 6, 2008 and effective July 1, 2008
Last amended March 11, 2021 by B.C. Reg. 65/2021

Consolidated Regulations of British Columbia

This is an unofficial consolidation.

B.C. Reg. 125/2008 (O.C. 386/2008), deposited June 6, 2008 and effective July 1, 2008, is made under the *Carbon Tax Act*, S.B.C. 2008, c. 40, ss. 1, 8 to 14, 16, 19 to 21, 30, 35, 37 to 40, 84 and 88.

This is an unofficial consolidation provided for convenience only. This is not a copy prepared for the purposes of the *Evidence Act*.

This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at www.bclaws.ca.

See the User Guide for more information about the *Consolidated Regulations of British Columbia*. The User Guide and the *Consolidated Regulations of British Columbia* are available online at www.bclaws.ca.

Prepared by:
Office of Legislative Counsel
Ministry of Attorney General
Victoria, B.C.

Carbon Tax Act

CARBON TAX REGULATION

B.C. Reg. 125/2008

Contents

PART 1 – DEFINITIONS	
1 Definitions for regulation	1
2 Definitions for Act and regulation	2
PART 2 – ISSUANCE OF CERTIFICATES	
3 Definitions	3
4 Registered consumer certificate	3
5 Registered air service certificate	3
6 Registered marine service certificate	4
7 Subcategories of types of fuel	4
PART 2.1 – CANCELLATION OF CERTIFICATES	
7.1 Cancellation of certificates	5
PART 3 – PAYMENTS AND RETURNS	
8 Collectors	5
9 Deputy collectors and retail dealers	6
10 Retail dealers of natural gas	6
10.1 Amounts collected as if tax	7
10.2 Fuel sold to retail dealers by persons other than collectors or deputy collectors	8
10.3 Amounts received as security or as if security	8
11 Fuel used by registered consumers	9
12 Fuel purchased, transferred, brought or sent into British Columbia by registered air services and registered marine services	10
12.1 Fuel used by registered air services and registered marine services	11
13 Fuel imported by ship	12
13.1 Fuel used for new purpose	13
13.2 Fuel transferred, brought or sent into British Columbia	14
13.3 Fuel used within British Columbia	15
13.4 Combustibles burned within British Columbia	15
14 Payment of refund of security	16
PART 4 – EXEMPTIONS FROM PAYMENT OF TAX AND SECURITY	
15 Exemption for fuel in types of containers	16
16 Exemption – feedstock	17
17 Exemption for non-energy uses of fuel	17
18 Exemption – interjurisdictional passenger and cargo flights	18
18.1 Exemption – interjurisdictional air services flights	18
19 Exemption – cruise ships	19
20 Exemption – not coasting trade	19
20.1 Exemption – farmers	19
20.2 Persons selling fuel to farmers	20

21	Exemption for visiting forces	20
22	Security exemption	20
PART 4.1 – BIOMETHANE CREDIT		
22.1	Definitions	21
22.2	Provision of biomethane credit	22
22.3	Biomethane credit amount	22
22.4	Refund amount	22
22.5	Application for refund	23
22.6	Records respecting provision of biomethane credit	23
22.7	Invoice if a biomethane credit provided	23
PART 5 – REFUNDS		
23	[Repealed]	24
24	Refund or deduction for bad debts	24
25	Refund – feedstock	25
26	Refund – non-energy uses of fuel	25
27	Refund – interjurisdictional passenger and cargo flights	26
27.1	Refund – interjurisdictional air services flights	27
28	Refund – interjurisdictional marine travel or transportation	27
29	Refund – commercial marine services	28
29.1	Refund – farmers	28
29.2	Refund – fuel used internationally by farmers	28
PART 5.1 – REGULATED OPERATION REFUND		
Division 1 – Definitions and Interpretation		
29.3	Definitions and interpretation	29
29.31	Eligible tax	31
29.32	New entrant period	31
29.33	Global carbon price	31
29.34	Provincial emissions coverage	32
29.35	Target and threshold emissions rates	32
Division 2 – Regulated Operation Refund		
29.36	Claiming a refund	34
29.37	Refund – new entrant period	34
29.38	Refund – after new entrant period	34
PART 6 – RECORDS		
30	Records of vendors, wholesale dealers and retail dealers	36
31	Records of taxpayers	36
32	Retention of records	37
33	[Repealed]	37
34	Invoices	37
35	Information in sales documents	38
PART 7 – INTEREST		
36	Calculation of interest	39
37 – 38	[Repealed]	39
PART 8 – IFTA COMMERCIAL VEHICLES		
39	Deposit for IFTA commercial vehicle	39
40	Refund of IFTA commercial vehicle deposit	40
40.1	Additional refund for IFTA commercial vehicle	40

41	Remittance of tax by IFTA commercial vehicle	41
PART 8.1 – EXEMPT FUEL RETAILERS PROGRAM		
41.1	Definitions	41
41.2	Exempt fuel retailer permit	41
41.3	Exempt percentage of fuel purchases	42
41.4	Collection and payment of security	43
41.5	Returns	43
41.6	Suspension and cancellation of exempt fuel retailer permit	44
41.7	Automatic suspension and cancellation	45
41.8	Appeals	45
PART 9 – GENERAL		
42	Inventory allowance	46
43	[Repealed]	47
44	Tax on blends or mixtures	47
45	Certificate of lien form	47
45.1	Fuel imported by ship – classes of fuel and amounts	47
PART 10 – OFFENCES		
46	Offences	48
SCHEDULE [Repealed]		48

Carbon Tax Act

CARBON TAX REGULATION

B.C. Reg. 125/2008

PART 1 – DEFINITIONS

Definitions for regulation

- 1** (1) The definitions set out in section 1 (1) of Schedule 1 to the Act apply to this regulation.
- (2) In this regulation:
- “**Act**” means the *Carbon Tax Act*;
- “**annual period**” means a period beginning on July 1 in one year and ending on June 30 in the next year;
- “**calendar quarter**” means a period
- (a) beginning on January 1 and ending on the following March 31,
 - (b) beginning on April 1 and ending on the following June 30,
 - (c) beginning on July 1 and ending on the following September 30, or
 - (d) beginning on October 1 and ending on the following December 31;
- “**diesel fuel**” means a light fuel oil for use in a diesel engine but does not include locomotive diesel fuel;
- “**flight**” means a trip between the takeoff and landing of an aircraft, whether or not the trip is a portion of a longer route;
- “**heating oil**” means a light fuel oil for use in a furnace, boiler or open flame burner;
- “**industrial oil**” means a light fuel oil but does not include diesel fuel, heating oil and locomotive diesel fuel;
- “**interjurisdictional air service**” means a person who
- (a) owns or operates a commercial air service that provides
 - (i) interprovincial or international air transportation of passengers, goods or both, or
 - (ii) interprovincial or international air services other than the transportation of passengers, goods or bothto members of the public for a fee, and
 - (b) does not have flights that connect 2 locations in British Columbia in any commercial air service;
- “**interjurisdictional leg**” means a segment of a marine trip if the segment
- (a) either
 - (i) begins at a port or other similar place that is in a foreign state and ends at a port or other similar place in British Columbia, or

Part 1 – Definitions

- (ii) ends at a port or other similar place that is in a foreign state and begins at a port or other similar place in British Columbia, and
 - (b) includes no stop at a port or other similar place during the segment;
- “intraprovincial leg”** means a segment of a marine trip if the segment
- (a) begins at a port or other similar place in British Columbia and ends at
 - (i) the same port or similar place in British Columbia, or
 - (ii) another port or similar place in British Columbia, and
 - (b) includes no stop at a port or other similar place during the segment;
- “locomotive diesel fuel”** means a light fuel oil for use in a diesel engine in any rolling stock or other vehicle when run on rails;
- “marine trip”** means a trip by a ship that consists of
- (a) one or more interjurisdictional legs,
 - (b) one or more intraprovincial legs, or
 - (c) a combination of
 - (i) one or more interjurisdictional legs, and
 - (ii) one or more intraprovincial legs.
- [am. B.C. Regs. 258/2009, ss. 1 and 2; 294/2009, s. 1; 24/2012, s. 1; 180/2016, App. 1, s. 1.]

Definitions for Act and regulation

2 For the purposes of the Act and this regulation:

- “IFTA commercial vehicle”** means a motor vehicle that is used interprovincially or internationally for the commercial carriage of passengers or goods and that
- (a) has 2 axles and either a gross vehicle weight or registered gross vehicle weight exceeding 11 800 kg,
 - (b) has 3 or more axles regardless of weight, or
 - (c) when combined with the trailer with which it is used, has a gross vehicle weight exceeding 11 800 kg,
- but does not include a recreational vehicle;
- “recreational vehicle”** means a vehicle that is used solely for personal pleasure by an individual and includes, without limitation, any of the following vehicles when so used:
- (a) motor homes;
 - (b) pickup trucks with attached campers;
 - (c) buses.

[am. B.C. Reg. 200/2009, s. 1.]

PART 2 – ISSUANCE OF CERTIFICATES

Definitions

- 3** In this Part, “**fiscal year**” means, with respect to a person who
- (a) has chosen a period that does not exceed 53 weeks as a fiscal year for financial reporting and income tax purposes, that fiscal year, or
 - (b) has not chosen a fiscal year referred to in paragraph (a), the calendar year.

Registered consumer certificate

- 4** (1) In this section, “**interjurisdictional rail service**” means a person who owns or operates a commercial rail service that offers interprovincial or international rail transportation of passengers, goods or both to members of the public for a fee.
- (2) Subject to subsection (3), the director may issue a registered consumer certificate under section 20 of the Act to the following:
- (a) an interjurisdictional rail service;
 - (b) an interjurisdictional air service;
 - (c) a purchaser of a type or subcategory of a type of fuel if the purchaser, during the purchaser’s fiscal year that ended immediately before the date the purchaser applied for the certificate, used at least 50% of that type or subcategory of a type of fuel for one or more of the purposes referred to in sections 16 and 17 (1).
- (3) The director may issue a registered consumer certificate to an interjurisdictional air service only if the interjurisdictional air service holds a licence issued by the Canadian Transportation Agency and, if required by Transport Canada, an operating certificate issued by Transport Canada for each type of aircraft owned or operated by the interjurisdictional air service.

[am. B.C. Regs. 200/2009, s. 2; 258/2009, s. 3.]

Registered air service certificate

- 5** (1) Subject to subsection (2), the director may issue a registered air service certificate under section 21 of the Act to a person if
- (a) the person owns or operates a commercial air service that provides
 - (i) air transportation of passengers, goods or both, or
 - (ii) air services other than the transportation of passengers, goods or both to members of the public for a fee, and
 - (b) during the person’s fiscal year that ended immediately before the date the person applied for the registered air service certificate, at least 50% of the fuel used in the flights of all the aircraft owned or operated by the person that began or ended in British Columbia was used for flights that did not both begin and end in British Columbia.

- (2) The director may issue a registered air service certificate to a person referred to in subsection (1) only if the person holds a licence issued by the Canadian Transportation Agency and holds, if required by Transport Canada, an operating certificate issued by Transport Canada for each type of aircraft that is part of the commercial air service owned or operated by that person.

[am. B.C. Reg. 200/2009, s. 3.]

Registered marine service certificate

- 6** (1) The director may issue a registered marine service certificate under section 21 of the Act to a person if
- (a) the person owns or operates a commercial marine service that provides marine transportation of passengers, goods or both to members of the public for a fee on ships owned or operated by the person, and
 - (b) during the person's fiscal year that ended immediately before the date the person applied for the registered marine certificate, at least 50% of all the marine trips of the ships owned or operated by the person that began or ended in British Columbia did not include an intraprovincial leg.
- (2) The director may issue a registered marine service certificate under section 21 of the Act to a person if
- (a) the person owns or operates a commercial marine service that provides marine services, other than the marine transportation of passengers, goods or both to members of the public, for a fee using ships owned or operated by the person, and
 - (b) during the person's fiscal year that ended immediately before the date the person applied for the registered marine certificate, at least 50% of all the marine trips of the ships owned or operated by the person that began or ended in British Columbia included an interjurisdictional leg.
- (3) Subsection (2) does not apply to a person who is eligible to apply for a registered marine service certificate under subsection (1).
- (4) For the purpose of subsections (1) and (2), marine trips by a ship that is referred to in section 19 or 20 must not be included in the calculation of marine trips under those subsections.
- (5) For the purposes of subsections (1) and (2), if the provision of a commercial marine service involves 2 or more ships, the marine trips of each ship must be considered separately in the calculation of marine trips under those subsections.

[am. B.C. Regs. 258/2009, s. 4; 24/2012, s. 2.]

Subcategories of types of fuel

- 7** The following are prescribed subcategories of types of fuel for the purposes of section 22 of the Act:
- (a) diesel fuel;
 - (b) heating oil;

CARBON TAX REGULATIONPart 2.1 – Cancellation of Certificates

(c) locomotive diesel fuel;

(d) industrial oil.

[am. B.C. Reg. 294/2009, s. 2.]

PART 2.1 – CANCELLATION OF CERTIFICATES**Cancellation of certificates**

7.1 The director must cancel, effective July 1, 2010, every registration certificate that authorizes a retail dealer to sell propane.

[en. B.C. Reg. 106/2010, Sch. s. 2.]

PART 3 – PAYMENTS AND RETURNS**Collectors**

- 8** (1) Subject to subsection (2), a collector must, under section 28 (2) or 30 (2) of the Act, on or before the 15th day of each month in respect of tax collected or security payable on sales in the previous month,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) remit or pay with the return referred to in paragraph (a) the amount of tax collected or security payable for that previous month.
- (2) The director may permit a collector to deliver returns and remit tax or pay security on a quarterly or annual basis.
- (3) A collector permitted under subsection (2) to deliver returns and remit tax or pay security on a quarterly basis must, in respect of tax collected or security payable on sales in each calendar quarter,
- (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) remit or pay with the return referred to in paragraph (a) the amount of tax collected or security payable for that calendar quarter.
- (4) A collector permitted under subsection (2) to deliver returns and remit tax or pay security on an annual basis must, in respect of tax collected or security payable on sales in each annual period,
- (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) remit or pay with the return referred to in paragraph (a) the amount of tax collected or security payable for that annual period.
- (5) If a collector has not collected tax or is not required to pay security on sales in a previous month, a calendar quarter or an annual period, as applicable, the collector must nonetheless deliver a return, in accordance with subsection (1) (a),

(3) (a) or (4) (a), in respect of the previous month, calendar quarter or annual period.

[am. B.C. Regs. 168/2008, Sch. A, s. 1; 200/2009, s. 4; 180/2016, App. 1, s. 2.]

Deputy collectors and retail dealers

- 9** (1) Subject to subsection (2), a deputy collector or retail dealer who is required to remit tax under section 26 (4) of the Act must, on or before the 15th day of each month in respect of tax collected in the previous month,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount of tax collected for that previous month.
- (2) The director may permit a deputy collector or retail dealer referred to in subsection (1) to deliver returns and remit tax on a quarterly or annual basis.
- (3) A deputy collector or retail dealer permitted under subsection (2) to deliver returns and remit tax on a quarterly basis must, in respect of tax collected in each calendar quarter,
- (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount of tax collected for that calendar quarter.
- (4) A deputy collector or retail dealer permitted under subsection (2) to deliver returns and remit tax on an annual basis must, in respect of tax collected in each annual period,
- (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount of tax collected for that annual period.
- (5) Unless the director specifies otherwise, a deputy collector or retail dealer who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not tax is collected in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 3.]

Retail dealers of natural gas

- 10** (1) Subject to subsection (2), a retail dealer of natural gas must, under section 28 (1) of the Act, on or before the 15th day of each month in respect of tax collected on sales of natural gas in the previous month,
- (a) deliver to the director a return in a form specified by the director, and

CARBON TAX REGULATIONPart 3 – Payments and Returns

- (b) remit with the return referred to in paragraph (a) the amount of tax collected for that previous month.
- (2) The director may allow a retail dealer of natural gas to deliver returns and remit tax on a quarterly or annual basis.
- (3) A retail dealer of natural gas permitted under subsection (2) to deliver returns and remit tax on a quarterly basis must, in respect of tax collected on sales of natural gas in each calendar quarter,
 - (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount of tax collected for that calendar quarter.
- (4) A retail dealer of natural gas permitted under subsection (2) to deliver returns and remit tax on an annual basis must, in respect of tax collected on sales of natural gas in each annual period,
 - (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount of tax collected for that annual period.
- (5) If a retail dealer of natural gas has not collected tax on sales of natural gas in a previous month, a calendar quarter or an annual period, as applicable, the retail dealer of natural gas must nonetheless deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of the previous month, calendar quarter or annual period.

[am. B.C. Regs. 200/2009, s. 5; 294/2009, s. 3; 106/2010, Sch. s. 1; 180/2016, App. 1, s. 4.]

Amounts collected as if tax

- 10.1**
- (1) Subject to subsection (2), a person who is required under section 28 (3) of the Act to remit an amount collected as if it were tax imposed under the Act must, on or before the 15th day of each month in respect of the amount collected in the previous month,
 - (a) deliver to the director a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount collected in that previous month.
 - (2) The director may permit a person referred to in subsection (1) to deliver returns and remit amounts on a quarterly or annual basis.
 - (3) A person permitted under subsection (2) to deliver returns and remit amounts on a quarterly basis must, in respect of the amount collected in each calendar quarter as if it were tax imposed under the Act,
 - (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and

- (b) remit with the return referred to in paragraph (a) the amount collected in that calendar quarter.
- (4) A person permitted under subsection (2) to deliver returns and remit amounts on an annual basis must, in respect of the amount collected in each annual period as if it were tax imposed under the Act,
 - (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount collected in that annual period.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not an amount is to be remitted in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 5.]

**Fuel sold to retail dealers by persons other than collectors
or deputy collectors**

- 10.2** A person who is required under section 28 (4) of the Act to remit money received in respect of the tax payable on fuel must, on or before the 15th day of each month in respect of money received in the previous month,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the money received in that previous month.

[en. B.C. Reg. 180/2016, App. 1, s. 5.]

Amounts received as security or as if security

- 10.3** (1) Subject to subsection (2), a person who is required to remit an amount under section 28 (5) of the Act must, on or before the 15th day of each month in respect of the amount that is to be remitted for the previous month,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount that is to be remitted for that previous month.
- (2) The director may permit a person referred to in subsection (1) to deliver returns and remit amounts on a quarterly or annual basis.
- (3) A person permitted under subsection (2) to deliver returns and remit amounts on a quarterly basis must, in respect of the amount that is to be remitted for each calendar quarter,
- (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and

CARBON TAX REGULATIONPart 3 – Payments and Returns

- (b) remit with the return referred to in paragraph (a) the amount that is to be remitted for that calendar quarter.
- (4) A person permitted under subsection (2) to deliver returns and remit amounts on an annual basis must, in respect of the amount that is to be remitted for each annual period,
- (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) remit with the return referred to in paragraph (a) the amount that is to be remitted for that annual period.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not an amount is to be remitted in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 5.]

Fuel used by registered consumers

- 11** (1) Subject to subsection (2), a registered consumer who is required to pay tax under section 8.1 (1) or 11 of the Act must, on or before the 15th day of each month in respect of tax payable on fuel that is used by the person in the previous month and is of a type or subcategory of a type specified in that person's registered consumer certificate,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that previous month.
- (2) The director may permit a registered consumer referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A registered consumer permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel that is used by the person in each calendar quarter and is of a type or subcategory of a type specified in that person's registered consumer certificate,
- (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that calendar quarter.
- (4) A registered consumer permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel that is used by the person in each annual period and is of a type or subcategory of a type specified in that person's registered consumer certificate,

- (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that annual period.
- (5) If a registered consumer, in respect of fuel that is of a type or subcategory of a type specified in the person's registered consumer certificate, has no tax payable for a previous month, a calendar quarter or an annual period, as applicable, the registered consumer must nonetheless deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of the previous month, calendar quarter or annual period.
- (6) Subsection (5) does not apply to a registered consumer who is an interjurisdictional air service.

[en. B.C. Reg. 180/2016, App. 1, s. 6.]

**Fuel purchased, transferred, brought or sent into British Columbia
by registered air services and registered marine services**

- 12** (1) Subject to subsection (2), a registered air service or registered marine service who is required to pay tax under section 8 (1), 9 (1) or 10 (1) of the Act must, in respect of tax payable on fuel that is purchased, transferred, brought or sent into British Columbia by the person and is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate,
- (a) deliver to the director, on or before the 15th day of each month, a return in a form specified by the director setting out the amount of the fuel that, in the previous month,
 - (i) was used, or
 - (ii) the person determined will not be used, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable on the fuel referred to in that paragraph.
- (2) The director may permit a registered air service or registered marine service referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A registered air service or registered marine service permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel that is purchased, transferred, brought or sent into British Columbia by the person and is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate,
- (a) deliver to the director, on or before the 15th day of the first month following each calendar quarter, a return in a form specified by the director setting out the amount of the fuel that, in the calendar quarter,
 - (i) was used, or
 - (ii) the person determined will not be used, and

CARBON TAX REGULATIONPart 3 – Payments and Returns

- (b) pay with the return referred to in paragraph (a) the amount of tax payable on the fuel referred to in that paragraph.
- (4) A registered air service or registered marine service permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel that is purchased, transferred, brought or sent into British Columbia by the person and is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate,
- (a) deliver to the director, on or before July 15th of the year in which each annual period ends, a return in a form specified by the director setting out the amount of the fuel that, in the annual period,
- (i) was used, or
- (ii) the person determined will not be used, and
- (b) pay with the return referred to in paragraph (a) the amount of tax payable on the fuel referred to in that paragraph.
- (5) If a registered air service or registered marine service, in respect of fuel that is of a type or subcategory of a type specified in the person's registered air service certificate or registered marine service certificate, has no tax payable for a previous month, a calendar quarter or an annual period, as applicable, the registered air service or registered marine service must nonetheless deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of the previous month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Fuel used by registered air services and registered marine services

- 12.1** (1) Subject to subsection (2), a registered air service or registered marine service who is required to pay tax under section 8.1 (1) or 11 of the Act must, on or before the 15th day of each month in respect of tax payable on fuel that is used by the person in the previous month and is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate,
- (a) deliver to the director a return in a form specified by the director, and
- (b) pay with the return referred to in paragraph (a) the amount of tax payable for that previous month.
- (2) The director may permit a registered air service or registered marine service referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A registered air service or registered marine service permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel that is used by the person in each calendar quarter and is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate,

Part 3 – Payments and Returns

- (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that calendar quarter.
- (4) A registered air service or registered marine service permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel that is used by the person in each annual period and is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate,
- (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that annual period.
- (5) If a registered air service or registered marine service, in respect of fuel that is of a type or subcategory of a type specified in that person's registered air service certificate or registered marine service certificate, has no tax payable for a previous month, a calendar quarter or an annual period, as applicable, the registered air service or registered marine service must nonetheless deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of the previous month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Fuel imported by ship

- 13** (1) Subject to section 12 and subsection (2) of this section, a person who is required to pay tax in accordance with section 8 (6) of the Act must, on or before the 28th day of each month in respect of tax payable on fuel purchased by the person in the previous month in a sale to which section 1.1 (2) (a) to (c) of the Act applies,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that previous month.
- (2) The director may permit a person referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A person permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel purchased by the person in each calendar quarter in a sale to which section 1.1 (2) (a) to (c) of the Act applies,
- (a) deliver to the director, on or before the 28th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that calendar quarter.

CARBON TAX REGULATION

Part 3 – Payments and Returns

- (4) A person permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel purchased by the person in each annual period in a sale to which section 1.1 (2) (a) to (c) of the Act applies,
- (a) deliver to the director, on or before July 28th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that annual period.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not tax is payable in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Fuel used for new purpose

- 13.1** (1) Subject to sections 11 and 12.1 and subsection (2) of this section, a person who is required to pay tax under section 8.1 (1) of the Act must, on or before the 28th day of each month in respect of tax payable on fuel used in the previous month,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that previous month.
- (2) The director may permit a person referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A person permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel used in each calendar quarter,
- (a) deliver to the director, on or before the 28th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that calendar quarter.
- (4) A person permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel used in each annual period,
- (a) deliver to the director, on or before July 28th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that annual period.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with

subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not tax is payable in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Fuel transferred, brought or sent into British Columbia

- 13.2** (1) Subject to section 12 and subsection (2) of this section, a person who is required to pay tax under section 9 (1) or 10 (1) of the Act must, in respect of tax payable on fuel that the person transferred, brought or sent into British Columbia,
- (a) deliver to the director, on or before the 28th day of each month, a return in a form specified by the director setting out the amount of the fuel that, in the previous month,
 - (i) was used, or
 - (ii) the person determined will not be used, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable on the fuel referred to in that paragraph.
- (2) The director may permit a person referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A person permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel that the person transferred, brought or sent into British Columbia,
- (a) deliver to the director, on or before the 28th day of the first month following each calendar quarter, a return in a form specified by the director setting out the amount of the fuel that, in the calendar quarter,
 - (i) was used, or
 - (ii) the person determined will not be used, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable on the fuel referred to in that paragraph.
- (4) A person permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel that the person transferred, brought or sent into British Columbia,
- (a) deliver to the director, on or before July 28th of the year in which each annual period ends, a return in a form specified by the director setting out the amount of the fuel that, in the annual period,
 - (i) was used, or
 - (ii) the person determined will not be used, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable on the fuel referred to in that paragraph.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period,

CARBON TAX REGULATIONPart 3 – Payments and Returns

as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not tax is payable in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Fuel used within British Columbia

- 13.3** (1) Subject to sections 11 and 12.1 and subsection (2) of this section, a person who is required to pay tax under section 11 of the Act must, on or before the 28th day of each month in respect of tax payable on fuel used in the previous month,
- (a) deliver to the director a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that previous month.
- (2) The director may permit a person referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A person permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on fuel used in each calendar quarter,
- (a) deliver to the director, on or before the 28th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that calendar quarter.
- (4) A person permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on fuel used in each annual period,
- (a) deliver to the director, on or before July 28th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that annual period.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not tax is payable in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Combustibles burned within British Columbia

- 13.4** (1) Subject to subsection (2), a person who is required to pay tax under section 12 of the Act must, on or before the 28th day of each month in respect of tax payable on combustibles burned in the previous month,
- (a) deliver to the director a return in a form specified by the director, and

- (b) pay with the return referred to in paragraph (a) the amount of tax payable for that previous month.
- (2) The director may permit a person referred to in subsection (1) to deliver returns and pay tax on a quarterly or annual basis.
- (3) A person permitted under subsection (2) to deliver returns and pay tax on a quarterly basis must, in respect of tax payable on combustibles burned in each calendar quarter,
 - (a) deliver to the director, on or before the 28th day of the first month following the calendar quarter, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that calendar quarter.
- (4) A person permitted under subsection (2) to deliver returns and pay tax on an annual basis must, in respect of tax payable on combustibles burned in each annual period,
 - (a) deliver to the director, on or before July 28th of the year in which the annual period ends, a return in a form specified by the director, and
 - (b) pay with the return referred to in paragraph (a) the amount of tax payable for that annual period.
- (5) Unless the director specifies otherwise, a person who has delivered a return under this section in respect of a previous month, a calendar quarter or an annual period, as applicable, must continue to deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of each subsequent month, calendar quarter or annual period, whether or not tax is payable in respect of the subsequent month, calendar quarter or annual period.

[en. B.C. Reg. 180/2016, App. 1, s. 7.]

Payment of refund of security

- 14** For the purposes of section 37 (4) of the Act, a vendor, wholesale dealer or retail dealer to whom that section applies must
- (a) on or before the 15th day of the month following the month in respect of which the vendor, wholesale dealer or retail dealer subsequently received or collected an amount referred to in section 37 (4), pay to the government the amount received or collected, and
 - (b) deliver to the director a return in a form specified by the director.

[en. B.C. Reg. 168/2008, Sch. A, s. 2.]

PART 4 – EXEMPTIONS FROM PAYMENT OF TAX AND SECURITY

Exemption for fuel in types of containers

- 15** Fuel contained in a sealed, prepackaged container that holds not more than 4 litres is exempt from tax under the Act.

CARBON TAX REGULATIONPart 4 – Exemptions from Payment of Tax and Security

Exemption – feedstock

16 Fuel that is not combusted when used as a raw material in an industrial process

- (a) to produce or upgrade another fuel, or
- (b) to manufacture another substance

is exempt from tax imposed under section 11 of the Act.

[am. B.C. Reg. 246/2013, App. 1, s. 2.]

Exemption for non-energy uses of fuel

17 (1) Fuel that is not combusted when used in any of the following circumstances is exempt from tax imposed under section 11 of the Act:

- (a) used as raw material to manufacture anodes for use in an electrolytic process for smelting aluminum;
- (b) used as a reagent to separate out coal or ores of metal in an industrial floatation process;
- (c) used in pipeline pigging;
- (d) used in down-hole operations at a well site;
- (e) used to remove natural gas liquids or impurities in the processing of natural gas;
- (f) used as a refrigerant in a closed system in the processing of natural gas;
- (g) used as anti-freeze in a natural gas pipeline.

(2) If a person combusts coke, high heat value coal, low heat value coal, petroleum coke or a combination of them as a reductant in the production of lead, the person is entitled to an exemption from the tax payable in respect of the coke, high heat value coal, low heat value coal or petroleum coke under section 11 of the Act equal to the amount set out in column 1 of the table multiplied by the number of tonnes of lead produced using the coke, high heat value coal, low heat value coal, petroleum coke or a combination of them as a reductant during the period set out in column 3 of the table.

(3) If a person combusts coke, high heat value coal, low heat value coal, petroleum coke or a combination of them as a reductant in the production of zinc, the person is entitled to an exemption from the tax payable in respect of the coke, high heat value coal, low heat value coal or petroleum coke under section 11 of the Act equal to the amount set out in column 2 of the table multiplied by the number of tonnes of zinc produced using the coke, high heat value coal, low heat value coal, petroleum coke or a combination of them as a reductant during the period set out in column 3 of the table.

Table

Item	Column 1 Amount per tonne of lead	Column 2 Amount per tonne of zinc	Column 3 Period during which coke, high heat value coal, low heat value coal, petroleum coke or combination of them is used as a reductant
1	Repealed. [B.C. Reg. 293/2009, s. (a).]		
2	\$2.161	\$6.847	September 2, 2009 to June 20, 2010
3	\$2.881	\$9.129	During the year beginning July 1, 2010
4	\$3.601	\$11.412	During the year beginning July 1, 2011
5	\$4.321	\$13.694	Any time on or after July 1, 2012

[am. B.C. Regs. 13/2009, s. 1; 200/2009, ss. 7 and 8; 293/2009, s. (a); 294/2009, s. 3; 246/2013, App. 1, s. 2.]

Exemption – interjurisdictional passenger and cargo flights

- 18** Fuel used in a flight is exempt from tax imposed under section 11 of the Act if
- (a) the flight
 - (i) is operated by a commercial air service,
 - (ii) is provided to members of the public for a fee,
 - (iii) transports passengers, goods or both, and
 - (iv) begins or ends outside British Columbia, and
 - (b) the commercial air service referred to in paragraph (a) (i) holds a licence issued by the Canadian Transportation Agency and holds, if required by Transport Canada, an operating certificate issued by Transport Canada for the type of aircraft used for the flight.

[en. B.C. Reg. 258/2009, s. 5; am. B.C. Reg. 246/2013, App. 1, s. 2.]

Exemption – interjurisdictional air services flights

- 18.1** Fuel used in a flight is exempt from tax imposed under section 11 of the Act if
- (a) the flight
 - (i) is operated by a commercial air service,
 - (ii) is provided to members of the public for a fee,
 - (iii) provides an air service other than the transportation of passengers, goods or both, and
 - (iv) begins or ends outside British Columbia, and that beginning or ending outside British Columbia is integral to the provision of the air service, and
 - (b) the commercial air service referred to in paragraph (a) (i) holds a licence issued by the Canadian Transportation Agency and holds, if required by

CARBON TAX REGULATIONPart 4 – Exemptions from Payment of Tax and Security

Transport Canada, an operating certificate issued by Transport Canada for the type of aircraft used for the flight.

[en. B.C. Reg. 258/2009, s. 5; am. B.C. Reg. 246/2013, App. 1, s. 2.]

Exemption – cruise ships

- 19** Fuel for use in the operation of a cruise ship for a cruise that
- (a) is offered to members of the public for a fee, and
 - (b) has a scheduled port of call outside of British Columbia,
- is exempt from tax under the Act.

Exemption – not coasting trade

- 20** Fuel for use in the operation of a ship, other than a cruise ship, that
- (a) is prohibited from coasting trade under the *Coasting Trade Act* (Canada), and
 - (b) does not engage in coasting trade, within the meaning of that Act,
- is exempt from tax under the Act.

Exemption – farmers

- 20.1** (1) In this section,
- “**farm**” has the same meaning as in section 1 of the *Motor Fuel Tax Act*;
 - “**farm truck**” has the same meaning as in section 1 of the *Motor Fuel Tax Act*;
 - “**highway**” has the same meaning as in section 1 of the *Motor Vehicle Act*;
 - “**industrial machine**” means a motor vehicle that is any of the following:
 - (a) a backhoe;
 - (b) a bulldozer;
 - (c) a forklift;
 - (d) a front end loader;
 - (e) a grass mower;
 - (f) a machine equipped with caterpillar tracks;
 - (g) a shovel;
 - “**motor vehicle**” has the same meaning as in section 1 of the *Motor Fuel Tax Act*;
 - “**tractor**” has the same meaning as in section 1 of the *Motor Fuel Tax Act*.
- (2) For the purposes of section 14 (2) (g) of the Act, the following purposes are prescribed:
- (a) operating a ship;
 - (b) operating a tractor when used on other than a highway;
 - (c) operating an industrial machine when used on other than a highway;
 - (d) operating a stationary engine or portable engine;

- (e) operating a tractor when used on a highway by or on behalf of a farmer for the purposes of the farmer's farm;
 - (f) operating a farm truck being used by a farmer or other person in the operation of the farm;
 - (g) operating a motor vehicle that is not licensed to operate on a highway when used on other than a highway;
 - (h) operating a tractor, an industrial machine or a motor vehicle referred to in paragraph (g), when proceeding to or returning from a location where the use of the fuel in the vehicle is otherwise authorized under paragraph (b), (c) or (g).
- (3) For the purposes of section 14 (2) (g) (iii) of the Act,
- (a) gasoline that is coloured in accordance with section 14 of the *Motor Fuel Tax Act* and the regulations made under that Act is a prescribed class of a type of fuel, and
 - (b) diesel fuel that is coloured in accordance with section 14 of the *Motor Fuel Tax Act* and the regulations made under that Act is a prescribed class of a subcategory of a type of fuel.
- (4) The exemption from tax provided for in section 14 (2) (g) of the Act applies only if
- (a) the retail dealer delivers the fuel to a storage receptacle located on the farmer's farm,
 - (b) the fuel is purchased on account from a bulk agent, or
 - (c) the fuel is purchased through a cardlock system.

[en. B.C. Reg. 246/2013, App. 1, s. 3.]

Persons selling fuel to farmers

- 20.2** A retail dealer who sells fuel to a person claiming an exemption under section 14 (2) (g) of the Act in respect of the sale must ensure the sale meets one of the requirements for exemption under section 20.1 (4) of this regulation.

[en. B.C. Reg. 246/2013, App. 1, s. 3.]

Exemption for visiting forces

- 21** A visiting force, as defined in section 2 of the *Visiting Forces Act* (Canada), is exempt from paying tax under the Act.

Security exemption

- 22** If a collector sells, or a deputy collector or retail dealer buys, fuel in a sealed, pre-packaged container that holds not more than 4 litres, the collector, deputy collector or retail dealer is exempt from paying security under section 30, 31 or 32 of the Act.

PART 4.1 – BIOMETHANE CREDIT

Definitions

22.1 (1) In this Part:

“**biomethane contract**” means a written contract, entered into on or after February 16, 2011 between a qualifying retail dealer and a purchaser, that

- (a) provides for the sale by the qualifying retail dealer to the purchaser of qualifying fuel,
- (b) specifies the notional biomethane content for the qualifying fuel to be sold under the contract,
- (c) provides that a portion of the consideration payable under the contract for the qualifying fuel will be attributable to the purchase of the notional biomethane content specified in the contract regardless of the actual amount of biomethane, if any, supplied, and
- (d) does not provide that the portion of the consideration attributable to the purchase of the notional biomethane content specified in the contract will increase or decrease based on the actual amount of biomethane, if any, supplied;

“**notional biomethane content**”, in relation to qualifying fuel sold or to be sold under a biomethane contract, means

- (a) the amount of biomethane that is deemed by the contract to be supplied under the contract, or
- (b) the percentage of qualifying fuel that is deemed by the contract to be biomethane,

regardless of the actual amount of biomethane, if any, supplied;

“**qualifying fuel**” means

- (a) natural gas, or
- (b) a blend composed of natural gas and biomethane if the proportions of the natural gas and biomethane in the blend cannot be determined;

“**qualifying purchaser**” means a purchaser to whom a biomethane credit must be provided under section 22.2 (1);

“**qualifying retail dealer**” means a retail dealer of natural gas who

- (a) purchases or manufactures biomethane, and
- (b) blends the biomethane with natural gas for sale in British Columbia.

- (2) For the purposes of sections 22.3 to 22.7, amounts of biomethane or qualifying fuel must be measured in cubic metres at standard reference conditions.

[en. B.C. Reg. 112/2011, s. 1.]

Provision of biomethane credit

- 22.2** (1) A qualifying retail dealer, on behalf of the government, must provide a biomethane credit to a purchaser in respect of a sale, within British Columbia, of qualifying fuel, in the amount determined in accordance with section 22.3, if
- (a) the sale is made under a biomethane contract, and
 - (b) the purchaser is required under the Act to pay tax in respect of the sale at the time of purchase.
- (2) An amount to be credited under subsection (1) in respect of a sale must be credited at the time of purchase.

[en. B.C. Reg. 112/2011, s. 1.]

Biomethane credit amount

- 22.3** The amount of the biomethane credit payable under section 22.2 in respect of a sale under a biomethane contract is determined by the following formula:

$$\text{amount of biomethane credit} = \text{notional amount} \times \text{tax rate}$$

where

notional amount = either of the following, as applicable:

- (a) the amount of biomethane that is deemed by the contract to be supplied under the contract in respect of the sale, or
- (b) the amount determined by multiplying the percentage of qualifying fuel that is deemed by the contract to be biomethane by the amount of qualifying fuel supplied under the contract in respect of the sale;

tax rate = the rate of tax for natural gas under the Act that applies at the time of purchase.

[en. B.C. Reg. 112/2011, s. 1.]

Refund amount

- 22.4** The amount of the refund payable to a qualifying retail dealer under section 14.2 of the Act in respect of tax remitted for sales made in each reporting period is the lesser of the following amounts:

- (a) the sum of the biomethane credits provided by the qualifying retail dealer to qualifying purchasers for sales made during the reporting period;
- (b) the amount equal to the total amount of biomethane that the qualifying retail dealer blends with natural gas in the reporting period for sale within British Columbia in respect of biomethane contracts multiplied by the tax rate for natural gas under the Act that applies at the time the biomethane is blended.

[en. B.C. Reg. 112/2011, s. 1.]

Application for refund

- 22.5** When submitting an application for a refund under section 14.2 of the Act, a qualifying retail dealer must submit a separate application for each reporting period.
[en. B.C. Reg. 112/2011, s. 1.]

Records respecting provision of biomethane credit

- 22.6** (1) A qualifying retail dealer who must provide biomethane credits must keep, in accordance with subsection (2), all records relating to the provision of biomethane credits, including, without limitation, the following:
- (a) copies of all of the retail dealer's biomethane contracts that provide for the sale, within British Columbia, of qualifying fuel;
 - (b) a record of the date on which each biomethane contract is entered into with a qualifying purchaser;
 - (c) a record of the name and address of each qualifying purchaser;
 - (d) records relating to the amount of biomethane that the qualifying retail dealer, in each reporting period, blends with natural gas for sale within British Columbia in respect of biomethane contracts;
 - (e) records relating to the total amount of biomethane that the qualifying retail dealer, in each reporting period, blends with natural gas for sale within British Columbia;
 - (f) records relating to each biomethane credit provided, including, without limitation, the following:
 - (i) the amount of qualifying fuel sold;
 - (ii) the amount of the biomethane credit provided.
- (2) Each entry respecting a biomethane credit in the records referred to in subsection (1) must be separate and distinguishable from other entries made in the record.
- (3) Repealed. [B.C. Reg. 12/2020, Sch. 1, s. 1 (b).]
[en. B.C. Reg. 112/2011, s. 1; am. B.C. Reg. 12/2020, Sch. 1, s. 1.]

Invoice if a biomethane credit provided

- 22.7** If a qualifying retail dealer provides a biomethane credit to a qualifying purchaser, the qualifying retail dealer must provide to the qualifying purchaser an invoice that specifies
- (a) the date of the sale,
 - (b) the name and address of the qualifying retail dealer,
 - (c) the name and address of the qualifying purchaser,
 - (d) the total amount of qualifying fuel sold,
 - (e) the applicable rate of tax, and
 - (f) as a separate item, the amount of the biomethane credit.
- [en. B.C. Reg. 112/2011, s. 1.]

PART 5 – REFUNDS

23 Repealed. [B.C. Reg. 246/2013, App. 1, s. 4.]

Refund or deduction for bad debts

24 (1) For the purposes of the definition of “specified amount” in section 38 (1) of the Act, the specified amount in relation to a sale must be determined in accordance with the following formula:

$$\text{specified amount} = \text{amount remitted or paid} \times \left[\frac{\text{amount unpaid}}{\text{total amount payable}} \right]$$

where

amount remitted or paid = the amount of tax or security referred to in section 38 (2) (b) of the Act remitted or paid by the seller in respect of the sale;

amount unpaid = the amount written off by the seller as unrealizable or uncollectable in respect of the sale, but not including interest charges;

total amount payable = the full amount of the consideration in respect of the sale including all applicable taxes or security, but not including interest charges.

(2) A seller who makes a deduction under section 38 (3) of the Act must submit to the director any information or document required by the director.

(3) For the purposes of section 38 (6) of the Act, the amount a seller must add to the tax to be remitted or security to be paid by the seller under the Act must be determined in accordance with the following formula:

$$\text{amount to be added} = \text{amount remitted or paid} \times \left[\frac{\text{amount recovered}}{\text{total amount payable}} \right]$$

where

amount remitted or paid = the amount of tax or security referred to in section 38 (2) (b) of the Act remitted or paid by the seller in respect of the sale;

amount recovered = the amount recovered by the seller that gives rise to the obligation under section 38 (6) of the Act to add an amount to the tax to be remitted or security to be paid by the seller under the Act;

total amount payable = the full amount of the consideration in respect of the sale including all applicable taxes or security, but not including interest charges.

- (4) For the purposes of section 38 (7) of the Act, the amount a seller must pay to the government must be determined in accordance with the following formula:

$$\text{amount to be paid} = \text{amount remitted or paid} \times \left[\frac{\text{amount recovered}}{\text{total amount payable}} \right]$$

where

amount remitted or paid = the amount of tax or security referred to in section 38 (2) (b) of the Act remitted or paid by the seller in respect of the sale;

amount recovered = the amount recovered by the seller that gives rise to the obligation under section 38 (7) of the Act to pay an amount to the government;

total amount payable = the full amount of the consideration in respect of the sale including all applicable taxes or security, but not including interest charges.

[en. B.C. Reg. 102/2015, App. 1.]

Refund – feedstock

- 25** If the director is satisfied that a person has paid tax on fuel that was not combusted when used as a raw material in an industrial process

- (a) to produce or upgrade another fuel, or
- (b) to manufacture another substance

the director must pay the person a refund of the tax paid on the fuel used as a raw material in the industrial process.

[am. B.C. Reg. 246/2013, App. 1, s. 5.]

Refund – non-energy uses of fuel

- 26** (1) If the director is satisfied that a person has paid tax on fuel that was not combusted when used in the following circumstances, the director must pay the person a refund of the tax paid on the fuel used in these circumstances:

- (a) used as a raw material to manufacture anodes for use in an electrolytic process for smelting aluminum;
- (b) used as a reagent to separate out coal or ores of metal in an industrial floatation process;
- (c) used in pipeline pigging;
- (d) used in down-hole operations at a well site;
- (e) used to remove natural gas liquids or impurities in the processing of natural gas;
- (f) used as a refrigerant in a closed system in the processing of natural gas;
- (g) used as anti-freeze in a natural gas pipeline.

- (2) If the director is satisfied that a person paid tax in respect of coke, high heat value coal, low heat value coal, petroleum coke or a combination of them that was combusted as a reductant in the production of lead, the director must pay the person a refund of the tax paid in respect of the coke, high heat value coal, low heat value coal or petroleum coke equal to the amount set out in column 1 of the table multiplied by the number of tonnes of lead produced using the coke, high heat value coal, low heat value coal, petroleum coke or a combination of them as a reductant purchased during the period set out in column 3 of the table.
- (3) If the director is satisfied that a person paid tax in respect of coke, high heat value coal, low heat value coal, petroleum coke or a combination of them that was combusted as a reductant in the production of zinc, the director must pay the person a refund of the tax paid in respect of the coke, high heat value coal, low heat value coal or petroleum coke equal to the amount set out in column 2 of the table multiplied by the number of tonnes of zinc produced using the coke, high heat value coal, low heat value coal, petroleum coke or a combination of them as a reductant purchased during the period set out in column 3 of the table.

Table

Item	Column 1 Amount per tonne of lead	Column 2 Amount per tonne of zinc	Column 3 Period during which coke, high heat value coal, low heat value coal or combination of them purchased for use as a reductant
1	Repealed. [B.C. Reg. 293/2009, s. (b).]		
2	\$2.161	\$6.847	September 2, 2009 to June 30, 2010
3	\$2.881	\$9.129	During the year beginning on July 1, 2010
4	\$3.601	\$11.412	During the year beginning on July 1, 2011
5	\$4.321	\$13.694	Any time on or after July 1, 2012

[am. B.C. Regs. 13/2009, s. 2; 200/2009, ss. 7 and 9; 293/2009, s. (b); 294/2009, s. 3; 246/2013, App. 1, ss. 6 and 7.]

Refund – interjurisdictional passenger and cargo flights

- 27** For the purposes of section 39 of the Act, if the director is satisfied that
- (a) a person has paid tax on fuel that was used in a flight that
 - (i) was operated by a commercial air service,
 - (ii) was provided to members of the public for a fee,
 - (iii) transported passengers, goods or both, and
 - (iv) began or ended outside British Columbia, and
 - (b) the commercial air service referred to in paragraph (a) (i) holds a licence issued by the Canadian Transportation Agency and holds, if required by

Transport Canada, an operating certificate issued by Transport Canada for the type of aircraft used for the flight,

the director must pay the person a refund of the tax paid on the fuel.

[en. B.C. Reg. 258/2009, s. 5; am. B.C. Reg. 246/2013, App. 1, s. 6.]

Refund – interjurisdictional air services flights

27.1 For the purposes of section 39 of the Act, if the director is satisfied that

- (a) a person has paid tax on fuel that was used in a flight that
 - (i) was operated by a commercial air service,
 - (ii) was provided to members of the public for a fee,
 - (iii) provided an air service other than the transportation of passengers, goods or both, and
 - (iv) began or ended outside British Columbia, and that beginning or ending outside British Columbia was integral to the provision of the air service, and
- (b) the commercial air service referred to in paragraph (a) (i) holds a licence issued by the Canadian Transportation Agency and holds, if required by Transport Canada, an operating certificate issued by Transport Canada for the type of aircraft used for the flight,

the director must pay the person a refund of the tax paid on the fuel.

[en. B.C. Reg. 258/2009, s. 5; am. B.C. Reg. 246/2013, App. 1, s. 6.]

Refund – interjurisdictional marine travel or transportation

28 (1) For the purposes of section 39 of the Act, if the director is satisfied that a person has paid tax for fuel that was used by a ship for a marine trip that

- (a) transported passengers, goods or both on the ship,
- (b) was provided to members of the public for a fee, and
- (c) did not include an intraprovincial leg,

the director must pay the person a refund of the tax paid on the fuel used on that marine trip.

(2) For the purposes of section 39 of the Act, if the director is satisfied that a person has paid tax for fuel that was used by a ship for a marine trip that

- (a) transported passengers, goods or both on the ship,
- (b) was provided to members of the public for a fee, and
- (c) included an intraprovincial leg,

the director must pay the person a refund of the tax paid on the fuel used on the legs of the marine trip that are interjurisdictional legs.

[am. B.C. Regs. 258/2009, s. 6; 24/2012, s. 3; 246/2013, App. 1, s. 6.]

Refund – commercial marine services

- 29** If the director is satisfied that a person has paid tax for fuel that was used by a ship for a marine trip that
- (a) was made in the course of providing marine services using the ship, other than the marine transport of passengers, goods or both, to members of the public for a fee, and
 - (b) included an interjurisdictional leg that was integral to the provision of the marine services,

the director must pay the person a refund of the tax paid on the fuel used on the leg of the marine trip that is an interjurisdictional leg.

[en. B.C. Reg. 258/2009, s. 7; am. B.C. Regs. 24/2012, s. 4; 246/2013, App. 1, s. 6.]

Refund – farmers

- 29.1** (1) For the purposes of section 39.1 (a) (iii) of the Act,
- (a) gasoline that is coloured in accordance with section 14 of the *Motor Fuel Tax Act* and the regulations made under that Act is a prescribed class of a type of fuel, and
 - (b) diesel fuel that is coloured in accordance with section 14 of the *Motor Fuel Tax Act* and the regulations made under that Act is a prescribed class of a subcategory of a type of fuel.
- (2) For the purposes of section 39.1 (b) of the Act, the following purposes are prescribed in respect of the gasoline and diesel fuel referred to in subsection (1) (a) and (b) of this section:
- (a) operating a ship;
 - (b) operating a tractor when used on other than a highway;
 - (c) operating an industrial machine when used on other than a highway;
 - (d) operating a stationary engine or portable engine;
 - (e) operating a tractor when used on a highway by or on behalf of a farmer for the purposes of the farmer's farm;
 - (f) operating a farm truck being used by a farmer or other person in the operation of the farm;
 - (g) operating a motor vehicle that is not licensed to operate on a highway when used on other than a highway;
 - (h) operating a tractor, an industrial machine or a motor vehicle referred to in paragraph (g), when proceeding to or returning from a location where the use of the fuel in the vehicle is otherwise authorized under paragraph (b), (c) or (g).

[en. B.C. Reg. 246/2013, App. 1, s. 8; am. B.C. Reg. 11/2014, s. 1.]

Refund – fuel used internationally by farmers

- 29.2** (1) For the purposes of section 39.1 (a) (iii) of the Act,

CARBON TAX REGULATION

Part 5.1 – Regulated Operation Refund

-
- (a) gasoline, other than gasoline referred to in section 29.1 (1) (a) of this regulation, is a prescribed class of a type of fuel, and
 - (b) diesel fuel, other than diesel fuel referred to in section 29.1 (1) (b) of this regulation, is a prescribed class of a subcategory of a type of fuel.
- (2) For the purposes of section 39.1 (b) of the Act, operating a farm truck being used internationally by a farmer or other person in the operation of the farm is a prescribed purpose in respect of the gasoline and diesel fuel referred to in subsection (1) (a) and (b) of this section.

[en. B.C. Reg. 11/2014, s. 2.]

PART 5.1 – REGULATED OPERATION REFUND**Division 1 – Definitions and Interpretation****Definitions and interpretation****29.3** (1) In this Part:

“**attributable emissions rate**”, in relation to a regulated operation and a calendar year, means, subject to subsection (2), the quotient of

- (a) the greenhouse gas emissions attributable under section 4 of the Greenhouse Gas Emission Reporting Regulation to the regulated operation for the calendar year, expressed as tonnes of carbon dioxide equivalent, and
- (b) the number of production units produced by the regulated operation in the calendar year;

“**authorization date**” has the same meaning as in the Greenhouse Gas Emission Reporting Regulation;

“**base tax**”, in relation to a regulated operation and a calendar year, means the tax imposed under the Act in the calendar year in respect of fuel and combustibles that meet both of the following criteria:

- (a) the fuel and combustibles are used in the regulated operation;
- (b) the greenhouse gas emissions resulting from the use referred to in paragraph (a) are attributable under section 4 of the Greenhouse Gas Emission Reporting Regulation to the regulated operation;

“**carbon dioxide equivalent**” has the same meaning as in the *Greenhouse Gas Industrial Reporting and Control Act*;

“**cut-off date**”, in relation to a regulated operation, means the date that is 30 days after the date of first shipment for the regulated operation;

“**date of first shipment**”, in relation to a regulated operation, means the date on which the regulated operation transports its first shipment of product from the regulated operation for delivery

- (a) to a commercial purchaser of the product for consumption or resale,

(b) to another regulated operation that is to refine or otherwise add commercial value to the product, or

(c) outside of British Columbia;

“**eligible tax**”, in relation to a regulated operation and a calendar year, has the meaning given to it in section 29.31;

“**emissions coverage**”, in relation to a jurisdiction, means the percentage, by mass, of carbon dioxide equivalent emissions in the jurisdiction on which a price is imposed by law through a specified measure;

“**environment minister**” means the minister responsible for the administration of the *Greenhouse Gas Industrial Reporting and Control Act*;

“**GGIRCA director**” means the director under the *Greenhouse Gas Industrial Reporting and Control Act*;

“**global carbon price**” has the meaning given to it in section 29.33 (2);

“**new entrant period**”, in relation to a regulated operation, means the period of 24 months determined under section 29.32 (1);

“**notional tax rate**”, in relation to a calendar year specified in column 1 of Table 1 to this Part, means the notional tax rate specified in column 2 opposite that calendar year;

“**operator**”, in relation to a regulated operation, has the same meaning as in the Greenhouse Gas Emission Reporting Regulation;

“**production unit**”, in relation to a regulated operation in a class of regulated operations described in column 1 of Table 2 to this Part, means the unit set out in column 2 opposite that description;

“**provincial emissions coverage**” has the meaning given to it in section 29.34;

“**regulated operation**” has the same meaning as in the *Greenhouse Gas Industrial Reporting and Control Act*;

“**specified measure**” means

(a) a carbon or greenhouse gas emissions tax, or

(b) a carbon or greenhouse gas emissions trading scheme;

“**target emissions rate**” has the meaning given to it in section 29.35 (2);

“**threshold emissions rate**” has the meaning given to it in section 29.35 (4).

(2) The definition of “attributable emissions rate” in subsection (1) is to be read in section 29.38, in relation to a regulated operation and a calendar year any part of which is in the new entrant period for the regulated operation, as though

(a) the greenhouse gas emissions attributable to the regulated operation in relation to the new entrant period were not attributable for the calendar year, and

CARBON TAX REGULATION

Part 5.1 – Regulated Operation Refund

- (b) the production units produced by the regulated operation in the new entrant period were not produced in the calendar year.

[en. B.C. Reg. 231/2019, App. 2.]

Eligible tax

- 29.31** The eligible tax in relation to a regulated operation and a calendar year is the amount determined in accordance with the following formula:

$$\text{eligible tax} = \text{base tax} \times \left(1 - \frac{30}{\text{notional tax rate}} \right)$$

where

base tax = the base tax in relation to the regulated operation that was imposed in the calendar year;

notional tax rate = the notional tax rate for the calendar year.

[en. B.C. Reg. 231/2019, App. 2.]

New entrant period

- 29.32** (1) The new entrant period for a regulated operation is the period of 24 months that begins on the following date, as applicable:

- (a) if the operator of the regulated operation gives notice in writing to the director in accordance with subsection (2), the date specified in the notice;
- (b) in any other case, the date of first shipment for the regulated operation.

- (2) A notice under subsection (1) (a) must

- (a) be given to the director by the cut-off date for the regulated operation, and
- (b) specify a date that is
- (i) on or after the authorization date for the regulated operation, and
- (ii) on or before the date of first shipment for the regulated operation.

[en. B.C. Reg. 231/2019, App. 2.]

Global carbon price

- 29.33** (1) In this section:

“**GDP share**”, in relation to a jurisdiction, means the quotient of

- (a) the gross domestic product of the jurisdiction, and
- (b) the gross world product;

“**weighted average**” means an average weighted by

- (a) GDP share, and
- (b) emissions coverage.

- (2) The global carbon price is, for 2025 to 2029 and each subsequent period of 5 calendar years, the price

- (a) set for the period by the environment minister in accordance with subsection (3), and

- (b) published in the Gazette at least 60 days before the first day of the period.
- (3) The global carbon price under subsection (2) for a period must be informed by a review that
 - (a) is carried out by an independent third party selected by the GGIRCA director, and
 - (b) estimates the weighted average global price, imposed by law through a specified measure, per tonne of carbon dioxide equivalent emissions on the day immediately before the first day of the period.

[en. B.C. Reg. 231/2019, App. 2.]

Provincial emissions coverage

29.34 The provincial emissions coverage for a calendar year is the emissions coverage for British Columbia in the calendar year

- (a) estimated by the environment minister, and
- (b) published in the Gazette at least 60 days before the first day of the calendar year.

[en. B.C. Reg. 231/2019, App. 2.]

Target and threshold emissions rates

29.35 (1) In this section:

“**comparable operation**”, in relation to a class of regulated operations, means an operation outside of British Columbia that, were it in British Columbia, would be a regulated operation in the class;

“**default threshold emissions rate**”, in relation to a class of regulated operations and a period, means the product of

- (a) the target emissions rate set under subsection (2) (b) for the class and period, and
- (b) 2;

“**eligible**”, in relation to an operation, means that the operation produces at least 1 000 000 production units per year;

“**emissions rate**”, in relation to an operation, means the greenhouse gas emissions of the operation, attributed having regard to the methodology of section 4 of the Greenhouse Gas Emission Reporting Regulation, per production unit of the operation;

“**production unit**”, in relation to a comparable operation, means the unit that would be the production unit of the operation were it a regulated operation;

“**production weighted average**”, in relation to the emissions rates of two or more operations, means the average of the emissions rates after the emissions rate of each operation has been multiplied by the quotient of

- (a) the number of production units produced by the operation, and

CARBON TAX REGULATION

Part 5.1 – Regulated Operation Refund

-
- (b) the sum of the numbers of production units produced by all of the operations.
- (2) The target emissions rate for a regulated operation in a class of regulated operations described in column 1 of Table 2 to this Part is,
- (a) for 2020 to 2024, the rate set out in column 4 opposite that description, and
- (b) for each subsequent period of 5 calendar years, the rate
- (i) set for the class and period by the environment minister in accordance with subsection (3), and
- (ii) published in the Gazette by 60 days after the first day of the period.
- (3) The target emissions rate under subsection (2) (b) for a class of regulated operations and a period must be informed by a review that
- (a) is carried out by an independent third party selected by the GGIRCA director, and
- (b) estimates the production weighted average of the emissions rates of the 5 eligible comparable operations for the class that have the lowest emissions rates.
- (4) The threshold emissions rate for a regulated operation in a class of regulated operations described in column 1 of Table 2 to this Part is,
- (a) for 2020 to 2024, the rate set out in column 3 opposite that description, and
- (b) for each subsequent period of 5 calendar years, the rate
- (i) set for the class and period by the environment minister in accordance with subsections (5) and (6), and
- (ii) published in the Gazette by 60 days after the first day of the period.
- (5) Subject to subsection (6), the threshold emissions rate under subsection (4) (b) for a class of regulated operations and a period must be equal to the product of
- (a) the production weighted average of the emissions rates of the eligible regulated operations in the class, and
- (b) 2.
- (6) The threshold emissions rate under subsection (4) (b) for a class of regulated operations and a period must be equal to the default threshold emissions rate for the class and period if
- (a) the class does not yet include an eligible regulated operation, or
- (b) the threshold emissions rate determined in accordance with subsection (5) for the class and period is lower than the target emissions rate set under subsection (2) (b) for that class and period.

[en. B.C. Reg. 231/2019, App. 2, s. 1.]

Division 2 – Regulated Operation Refund**Claiming a refund**

- 29.36** (1) Without limiting section 41 (1) of the Act, to claim a refund under this Part of eligible tax in relation to a regulated operation and a calendar year, the operator of the regulated operation must submit to the director, in accordance with subsection (2),
- (a) data sufficient for the director to determine the relevant attributable emissions rates of the regulated operation, and
 - (b) if required by the director, a signed statement of a third party acceptable to the director verifying the completeness and accuracy of the data referred to in paragraph (a).
- (2) A claim for a refund under subsection (1) in relation to a calendar year must be
- (a) submitted in the form and manner required by the director, and
 - (b) received by the director by July 31 of the following calendar year.
- (3) The director is not required to pay a refund under this Part if the requirements under subsection (1) are not met.
- (4) The director is not required to pay a refund under this Part in relation to a calendar year until October 31 of the following calendar year.
- [en. B.C. Reg. 231/2019, App. 2.]

Refund – new entrant period

- 29.37** (1) This section applies to base tax in relation to a regulated operation that was imposed in the new entrant period for the regulated operation.
- (2) Subject to section 29.36, if the director is satisfied that the operator of a regulated operation has paid base tax in relation to the regulated operation, the director must pay the operator a refund of the portion of the base tax paid that is eligible tax.
- [en. B.C. Reg. 231/2019, App. 2.]

Refund – after new entrant period

- 29.38** (1) This section applies to base tax in relation to a regulated operation that was imposed after the new entrant period for the regulated operation.
- (2) Subject to section 29.36, if the director is satisfied that
- (a) the operator of a regulated operation has paid base tax in relation to the regulated operation that was imposed in a calendar year, and
 - (b) the attributable emissions rate of the regulated operation for the calendar year is less than the threshold emissions rate for that regulated operation,
- the director must pay the operator a refund of the portion of the base tax paid determined in accordance with the following formula:

CARBON TAX REGULATION

Part 5.1 – Regulated Operation Refund

$$\text{amount of refund} = \text{eligible tax} \times \text{RA} \times \text{PA}$$

where

- eligible tax = the portion of the base tax paid that is eligible tax;
- RA = the rate adjustment determined under subsection (3) for the regulated operation and calendar year;
- PA = the price adjustment determined under subsection (4) for the calendar year.

(3) The rate adjustment for a regulated operation and a calendar year is the following number, as applicable:

- (a) if the attributable emissions rate of the regulated operation for the calendar year is less than or equal to the target emissions rate for the regulated operation, one;
- (b) in any other case, the number determined in accordance with the following formula:

$$\text{rate adjustment} = 1 - \frac{\text{attributable ER} - \text{target ER}}{\text{threshold ER} - \text{target ER}}$$

where

- attributable ER = the attributable emissions rate of the regulated operation for the calendar year;
- target ER = the target emissions rate for the regulated operation for the calendar year;
- threshold ER = the threshold emissions rate for the regulated operation for the calendar year.

(4) The price adjustment for a calendar year is,

- (a) for 2020 to 2024, one, and
- (b) for a later calendar year, the following number, as applicable:
- (i) if the global carbon price for the calendar year is greater than or equal to the product of the notional tax rate for the calendar year and the provincial emissions coverage for the calendar year, zero;
- (ii) if the global carbon price for the calendar year is less than or equal to the product of \$30 and the provincial emissions coverage for the calendar year, one;
- (iii) in any other case, the number determined in accordance with the following formula:

$$\text{price adjustment} = \frac{\text{notional tax rate} \times \text{PEC} - \text{global carbon price}}{\text{notional tax rate} \times \text{PEC} - \$30 \times \text{PEC}}$$

Part 6 – Records

where

notional tax rate = the notional tax rate for the calendar year;

PEC = the provincial emissions coverage for the calendar year;

global carbon price = the global carbon price for the calendar year.

[en. B.C. Reg. 231/2019, App. 2.]

Table 1

[en. B.C. Reg. 260/2020, Sch. 2.]

Column 1 Calendar Year	Column 2 Notional Tax Rate
2019	\$40
2020	\$40
2021	\$45
2022 and after	\$50

Table 2

[en. B.C. Reg. 231/2019, App. 2.]

Item	Column 1 Regulated Operation	Column 2 Production Unit	Column 3 Initial Threshold Emissions Rate	Column 4 Initial Target Emissions Rate
1	liquefied natural gas operation	tonne of liquefied natural gas	0.48	0.24

PART 6 – RECORDS**Records of vendors, wholesale dealers and retail dealers**

- 30** A person who is a vendor, wholesale dealer or retail dealer must keep records of inventories maintained by the person and records of each importation, manufacture, purchase and sale of fuel made by the person.

[am. B.C. Reg. 12/2020, Sch. 1, s. 2.]

Records of taxpayers

- 31** A person who is required to file returns for the payment of tax under the Act must keep records of the person's operations that substantiate the information provided on the person's tax returns with respect to

- (a) the importation, purchase and use of fuel by the person,
- (b) the transfer, within the meaning of section 9 of the Act, of fuel by the person, and
- (c) the burning of a combustible by the person.

[en. B.C. Reg. 168/2008, Sch. A, s. 3; am. B.C. Reg. 12/2020, Sch. 1, s. 2.]

Retention of records

- 32** (1) A person who is required to retain records under the Act must retain records required for the purposes of the Act or this regulation for a period of 5 years from the date the record is created.
- (2) If a person who is required to retain records under subsection (1) makes a written application to the director for permission to destroy a record, the director may authorize the requested destruction prior to the expiry of the period described in subsection (1).
- (3) Despite any other provision of this section, if a record might be necessary for the purposes of an appeal under section 56 or 57 of the Act or an appeal under section 41.8 of this regulation, the person required to keep the records must retain the record after the expiry of the period described in subsection (1) and until the appeals have been exhausted.

[am. B.C. Regs. 259/2009, s. 1; 12/2020, Sch. 1, s. 3.]

- 33** Repealed. [B.C. Reg. 12/2020, Sch. 1, s. 4.]

Invoices

- 34** (0.1) In this section and section 35, “**qualifying fuel**” means fuel that is in a class of a type of fuel or of a subcategory of a type of fuel that is prescribed under section 20.1 (3).
- (1) A person, other than a retail dealer referred to in subsection (3.1), who sells fuel to another person from a bulk storage facility, cardlock or terminal rack must provide an invoice to the person buying the fuel at the time of sale or within a reasonable time after the time of sale.
- (1.1) Despite subsection (1), a person who sells fuel in a sale to which section 1.1 (2) (a) to (c) of the Act applies must provide an invoice to the person buying the fuel at the time of sale.
- (2) A vendor or wholesale dealer, other than a person referred to in subsection (1), who sells fuel to a person for resale must provide an invoice to the person buying the fuel at the time of sale.
- (3) A person, other than a person referred to in subsection (1), who sells fuel to a registered consumer, registered air service or registered marine service must provide an invoice to the registered consumer, registered air service or registered marine service buying the fuel at the time of sale.
- (3.1) A retail dealer who sells qualifying fuel to a farmer must
- (a) provide an invoice to the farmer at the time of sale or within a reasonable time after the time of sale, and
- (b) on the invoice, in addition to the information required under subsection (5), specify whether tax was included in the sale.

-
- (4) A person who sells fuel must, if requested to do so by the person to whom the fuel is sold, provide that person with an invoice.
 - (4.1) Subsection (4) does not apply to a person selling fuel who is otherwise required under this regulation to provide an invoice to the person making the request.
 - (5) An invoice provided under this section must specify
 - (a) the date of the sale,
 - (b) the name and address of the person selling the fuel,
 - (c) the name and address of the person to whom the fuel is sold,
 - (d) the quantity of each type or subcategory of a type of fuel sold, and
 - (e) the rate of tax for each type or subcategory of a type of fuel sold.

[am. B.C. Regs. 168/2008, Sch. A, s. 4; 142/2012, Sch. 1, s. 2; 246/2013, App. 1, s. 9.]

Information in sales documents

- 35** (1) A retail dealer, other than a retail dealer referred to in subsection (1.1), who is not required to collect tax from a purchaser because the purchaser is not liable to pay tax on the purchase must, at the time of sale,
- (a) include the following information in the invoice, purchase order, receipt or similar document for the sale of fuel:
 - (i) the number of the purchaser's registered consumer certificate;
 - (ii) the number of the purchaser's registered air service certificate;
 - (iii) the number of the purchaser's registered marine service certificate;
 - (iv) the number of the purchaser's Certificate of Indian Status issued by the Department of Indian and Northern Affairs, or
 - (b) obtain from the person purchasing the fuel a declaration in a form acceptable to the director.
- (1.1) A retail dealer who sells qualifying fuel to a person claiming an exemption under section 14 (2) (g) of the Act in respect of the sale must, at or before the time of sale, obtain from the person
- (a) the name, address, card number and expiry date as recorded on a BC Farmer Identity Card issued to the person by the BC Agriculture Council, or
 - (b) a declaration in a form acceptable to the director.
- (2) A person who holds a registration certificate and is not required to collect tax from a buyer of natural gas because the buyer is not a purchaser must, at the time of sale,
- (a) include the number of the buyer's registration certificate on the invoice, purchase order, receipt or similar document for the sale of fuel, or
 - (b) obtain from the person purchasing the fuel a declaration in a form acceptable to the director.

- (3) The documentation referred to in subsections (1) (b), (1.1) and (2) (b) must be retained by the retail dealer, or the person who holds a registration certificate, to substantiate non-collection of tax on the sale.

[am. B.C. Regs. 294/2009, s. 3; 106/2010, Sch. s. 1; 246/2013, App. 1, s. 10.]

PART 7 – INTEREST

Calculation of interest

- 36** Interest payable under the Act must be
- (a) compounded monthly, and
 - (b) calculated on the number of days since the last compounding of interest, or if no compounding has yet occurred, from the date that interest is payable under the Act.

37 and 38 Repealed. [B.C. Reg. 116/2014, s. 2.]

PART 8 – IFTA COMMERCIAL VEHICLES

Deposit for IFTA commercial vehicle

- 39** (1) A person who is required to pay a deposit under section 40 of the Motor Fuel Tax Regulation must pay to the director, at the same time the deposit under section 40 of the Motor Fuel Tax Regulation is due and payable, a deposit on account of tax payable under the Act calculated in accordance with subsection (2).
- (2) The deposit payable to the director under subsection (1) by an IFTA commercial vehicle is equal to the greater of
- (a) \$10, or
 - (b) for a deposit payable on a date during a period set out in column 2 of the table to this subsection, the applicable rate set out opposite in column 1 for each kilometre that the IFTA commercial vehicle will travel on that trip in British Columbia, as estimated by the director in accordance with subsections (4) and (5), to an amount that is not greater than the maximum amount that is applicable, as determined in accordance with subsection (3).

Table to subsection (2)

Column 1 Rate for each kilometre	Column 2 Period
1 ¢	During the year beginning on July 1, 2008
2 ¢	During the year beginning on July 1, 2009
3 ¢	During the year beginning on July 1, 2011
4 ¢	Anytime on or after July 1, 2012

- (3) For a deposit payable on a date during a period set out in column 2 the maximum deposit under subsection (2) is the amount set out opposite in column 1 in the table to this subsection.

Table to subsection (3)

Column 1 Maximum amount	Column 2 Period
\$20	During the year beginning on July 1, 2008
\$40	During the year beginning on July 1, 2009
\$60	During the year beginning on July 1, 2011
\$80	Anytime on or after July 1, 2012

- (4) The director may estimate the number of kilometres the IFTA commercial vehicle will travel in British Columbia based on the load manifests, bills of lading, trip sheets or other documentation of the person required to pay the deposit under subsection (1).
- (5) If, in the opinion of the director, the documentation referred to in subsection (4) is inadequate for the purpose of making an estimate under subsection (2), the director may estimate the number of kilometres by a method the director considers appropriate.

[am. B.C. Reg. 168/2008, Sch. A, s. 6.]

Refund of IFTA commercial vehicle deposit

- 40** (1) Subject to subsection (2), a person who pays a deposit under section 39 in respect of a permit authorizing a trip for an IFTA commercial vehicle is entitled to a refund of an amount, if any, determined in accordance with the following formula:

$$\text{Refund} = (D + TP) + 31(-R \times AD)$$

where

- D = the amount of the deposit paid;
- TP = the amount of tax paid by the person for light fuel oil that was purchased in British Columbia during the trip for use in the vehicle;
- R = the rate set out in the Table to subsection (2) of section 39 to calculate the deposit paid;
- AD = the actual distance traveled by the vehicle in the Province.

- (2) A refund under subsection (1) for a trip may not exceed the amount of the deposit paid under section 39 for the trip.

[en. B.C. Reg. 168/2008, Sch. A, s. 7.]

Additional refund for IFTA commercial vehicle

- 40.1** If the director is satisfied that

CARBON TAX REGULATION

Part 8.1 – Exempt Fuel Retailers Program

- (a) a person paid a deposit under section 39 for a trip, and
 - (b) the amount of the deposit less any refund paid to the person under section 40 for the trip exceeds the tax payable under section 11 of the Act,
- the director must pay that person a refund equal to the amount of the excess.

[en. B.C. Reg. 246/2013, App. 1, s. 11.]

Remittance of tax by IFTA commercial vehicle

- 41** A person who pays a deposit under section 39 in respect of a permit authorizing a trip for an IFTA commercial vehicle must, in accordance with section 11 of the Act, pay to the director the amount by which

- (a) the product of the quantity of light fuel oil used in British Columbia in the vehicle during the trip multiplied by the tax rate for light fuel oil set out in the column of the Table in Schedule 1 of the Act, that applies for the period of time in which the fuel is used in British Columbia

exceeds

- (b) the amount that equals the sum of the deposit paid plus the amount of tax paid by the person for light fuel oil that was purchased in British Columbia during the trip for use in the vehicle minus a refund, if any, paid under section 40 for the trip.

[en. B.C. Reg. 168/2008, Sch. A, s. 8.]

PART 8.1 – EXEMPT FUEL RETAILERS PROGRAM**Definitions**

- 41.1** In this Part:

“**exempt fuel retailer**” means a person who holds an exempt fuel retailer permit;

“**exempt fuel retailer permit**” means a permit issued under this Part;

“**exempt percentage**” means the percentage set by the director under section 41.3;

“**qualifying purchaser**” means a purchaser who is exempt from tax

- (a) under section 87 of the *Indian Act* (Canada), or
- (b) by virtue of an agreement between the government and a First Nation relating to former reserve land;

“**reserve**” has the same meaning as in the *Indian Act* (Canada);

“**specified fuel**” means a type or subcategory of a type of fuel specified in an exempt fuel retailer permit.

[en. B.C. Reg. 312/2008, App. 1, s. 1.]

Exempt fuel retailer permit

- 41.2** (1) Subject to subsection (3) and on receipt of an application in the form specified by the director, the director may

- (a) issue an exempt fuel retailer permit for a type or subcategory of a type of fuel to a retail dealer whom the director considers is suitable and who is located on land that
 - (i) is reserve land, or
 - (ii) was formerly reserve land and where, by virtue of an agreement between the government and a First Nation, purchasers could be qualifying purchasers, and
 - (b) make the exempt fuel retailer permit subject to any other conditions and limitations specified by the director.
- (2) A retail dealer who wishes to obtain an exempt fuel retailer permit must apply to the director for a permit for a specific location at which the retail dealer intends to sell the specified fuel.
 - (3) Before an applicant is issued an exempt fuel retailer permit, the applicant must enter into an agreement with the director, on behalf of the government, that sets out the duties to be performed by the retail dealer and any other matters the director considers necessary or advisable.
 - (4) An exempt fuel retailer must display the exempt fuel retailer permit in a prominent position at the location at which the retailer sells the specified fuel.

[en. B.C. Reg. 312/2008, App. 1, s. 1.]

Exempt percentage of fuel purchases

- 41.3**
- (1) The director may set a percentage of a type or subcategory of a type of fuel that may be purchased for resale by an exempt fuel retailer without paying security under section 32 of the Act.
 - (2) The director may set different percentages for different types or subcategories of a type of fuel or for different retailers.
 - (3) The director
 - (a) may change the percentage of specified fuel with 30 days notice to the exempt fuel retailer, and
 - (b) may set or change the percentage of specified fuel without advance notice, if the exempt fuel retailer fails to comply with the Act, this regulation or the terms and conditions of the exempt fuel retailer permit or an agreement under section 41.2 (3).
 - (4) The director may change the percentage of specified fuel at the request of the exempt fuel retailer without advance notice, if the director is satisfied that the change is appropriate.

[en. B.C. Reg. 312/2008, App. 1, s. 1; am. B.C. Reg. 200/2009, s. 10.]

CARBON TAX REGULATIONPart 8.1 – Exempt Fuel Retailers Program

Collection and payment of security

- 41.4** (1) A collector or deputy collector who sells specified fuel to an exempt fuel retailer must not collect security under section 32 of the Act in respect of the exempt percentage of that fuel.
- (2) A collector who sells specified fuel to an exempt fuel retailer need not pay security under section 30 of the Act in respect of the exempt percentage of that fuel.
- (3) If the director is satisfied that a deputy collector has paid security on specified fuel that was sold to an exempt fuel retailer, the director must pay the deputy collector a refund equal to the difference between the amount of security the deputy collector paid on the fuel and the amount of security or tax the deputy collector received for the fuel.

[en. B.C. Reg. 312/2008, App. 1, s. 1; am. B.C. Reg. 246/2013, App. 1, s. 12.]

Returns

- 41.5** (1) Subject to subsection (2), an exempt fuel retailer must, on or before the 15th day of each month in respect of fuel purchased or sold in the previous month,
- (a) deliver to the director a return in a form specified by the director,
 - (b) subject to subsection (4.1), deliver with the return referred to in paragraph (a) any other documentation specified by the director, and
 - (c) remit with the return referred to in paragraph (a) the amount of tax collected in that previous month.
- (2) The director may permit an exempt fuel retailer to deliver returns and remit tax on a quarterly or annual basis.
- (3) An exempt fuel retailer permitted under subsection (2) to deliver returns and remit tax on a quarterly basis must, in respect of fuel purchased or sold in each calendar quarter,
- (a) deliver to the director, on or before the 15th day of the first month following the calendar quarter, a return in a form specified by the director,
 - (b) subject to subsection (4.1), deliver with the return referred to in paragraph (a) any other documentation specified by the director, and
 - (c) remit with the return referred to in paragraph (a) the amount of tax collected in that calendar quarter.
- (4) An exempt fuel retailer permitted under subsection (2) to deliver returns and remit tax on an annual basis must, in respect of fuel purchased or sold in each annual period,
- (a) deliver to the director, on or before July 15th of the year in which the annual period ends, a return in a form specified by the director,
 - (b) subject to subsection (4.1), deliver with the return referred to in paragraph (a) any other documentation specified by the director, and

- (c) remit with the return referred to in paragraph (a) the amount of tax collected in that annual period.
- (4.1) The director may permit an exempt fuel retailer to deliver some or all of the documentation referred to in subsection (1) (b), (3) (b) or (4) (b), as applicable, to the director on or before the last day of the month in which the return referred to in that subsection is delivered to the director.
- (5) If an exempt fuel retailer has not collected tax in a previous month, a calendar quarter or an annual period, as applicable, the exempt fuel retailer must nonetheless deliver a return, in accordance with subsection (1) (a), (3) (a) or (4) (a), in respect of the previous month, calendar quarter or annual period.
- (6) If an exempt fuel retailer permit is suspended under section 41.6 (1), the exempt fuel retailer must continue to deliver returns and remit tax under subsection (1), (3) or (4), as applicable.

[en. B.C. Reg. 312/2008, App. 1, s. 1; am. B.C. Regs. 200/2009, s. 4; 180/2016, App. 1, s. 8.]

Suspension and cancellation of exempt fuel retailer permit

- 41.6** (1) The director may, without advance notice to the exempt fuel retailer, suspend an exempt fuel retailer permit for a period of up to 60 days
- (a) if the director is satisfied that the exempt fuel retailer knowingly gave false information on an application for the exempt fuel retailer permit, or
 - (b) if the exempt fuel retailer refuses or neglects to comply with
 - (i) a provision of the Act or this regulation,
 - (ii) a condition or limitation specified by the director on the permit, or
 - (iii) a provision of an agreement referred to in section 41.2 (3).
- (2) If the director suspends the exempt fuel retailer permit of a person under subsection (1), the director must, as soon as reasonably possible,
- (a) advise the person of the reasons for the suspension, and
 - (b) provide the person with an opportunity to show the director why the suspension should be lifted.
- (3) Subject to subsection (5), the director may, by notice delivered to the exempt fuel retailer, cancel the exempt fuel retailer permit
- (a) if the director is satisfied that the exempt fuel retailer knowingly gave false information on an application for the exempt fuel retailer permit, or
 - (b) if the exempt fuel retailer refuses or neglects to comply with
 - (i) a provision of the Act or this regulation,
 - (ii) a condition or limitation specified by the director on the permit, or
 - (iii) a provision of an agreement referred to in section 41.2 (3).
- (4) The director must, by notice delivered to the exempt fuel retailer, cancel the exempt fuel retailer permit, if the exempt fuel retailer obtained an exempt fuel

CARBON TAX REGULATIONPart 8.1 – Exempt Fuel Retailers Program

retailer permit to operate at a location on land referred to in section 41.2 (1) (a) (ii) and that land ceases to be land where purchasers can be qualifying purchasers.

- (5) Before cancelling an exempt retailer permit under subsection (3), the director must
 - (a) give the exempt fuel retailer notice of the reasons for the proposed cancellation, and
 - (b) provide the exempt fuel retailer with an opportunity to show the director why the permit should not be cancelled.
- (6) Cancellation of an exempt fuel retailer permit under subsection (3) or (4) takes effect on the later of
 - (a) the date that notice of it is delivered to the exempt fuel retailer, and
 - (b) the date stated in the notice.
- (7) A suspension or cancellation of a permit under this section does not relieve a retail dealer from any liability.

[en. B.C. Reg. 312/2008, App. 1, s. 1.]

Automatic suspension and cancellation

- 41.7** (1) If an exempt fuel retailer permit issued to a person under the *Motor Fuel Tax Act* is suspended under that Act, the exempt fuel retailer permit issued to that person under this regulation is automatically suspended without notice for the same period as the suspension under the *Motor Fuel Tax Act*.
- (2) If an exempt fuel retailer permit issued to a person under the *Motor Fuel Tax Act* is cancelled under that Act, the exempt fuel retailer permit issued to that person under this regulation is automatically cancelled without notice.

[en. B.C. Reg. 312/2008, App. 1, s. 1.]

Appeals

- 41.8** (1) An appeal to the minister lies from a decision of the director about any of the following:
- (a) a refusal to issue an exempt fuel retailer permit;
 - (b) the cancellation of an exempt fuel retailer permit, other than a cancellation under section 41.6 (4);
 - (c) the setting or changing of the percentage of specified fuel under section 41.3, or a refusal to change that percentage.
- (1.1) Subject to subsection (1.2), written notice of the appeal must be served on the minister within 90 days after the date of the director's notice of decision.
- (1.2) With respect to a decision of the director made prior to September 2, 2009,
- (a) no appeal lies from a decision if the date on the director's notice of decision is a date prior to 90 days before September 2, 2009, and

- (b) the 90 day time limit referred to in subsection (1.1) begins on the date on the director's notice of decision.
- (2) The appellant must set out in the notice of appeal a statement of all material facts and the reasons in support of the appeal.
- (3) On receiving the notice of appeal, the minister must
 - (a) consider the matter,
 - (b) subject to subsection (4), affirm, amend or change the decision, and
 - (c) promptly notify the appellant in writing of the result of the appeal.
- (4) The minister may
 - (a) affirm the decision of the director,
 - (b) direct the director to issue an exempt fuel retailer permit to the appellant, subject to the conditions and limitations that the director specifies, or
 - (c) direct the director to set or change the percentage of specified fuel under section 41.3, subject to the conditions and limitations that the director specifies.
- (4.1) The minister may, in writing, delegate any of the minister's powers or duties under this section.
- (4.2) A delegation under subsection (4.1) may be to a named person or to a class of persons.
- (5) Sections 57 and 58 of the Act apply to appeals under this section.
[en. B.C. Reg. 312/2008, App. 1, s. 1; am. B.C. Regs. 259/2009, s. 2; 239/2020, Sch. 1.]

PART 9 – GENERAL

Inventory allowance

- 42**
- (1) Subject to this section, the director may pay an inventory allowance in the amount of \$250 to a deputy collector or retail dealer who provides an inventory under section 35 (1) of the Act.
 - (2) If the additional amount of security payable under section 35 (6) of the Act
 - (a) is greater than \$250, the additional amount of security is reduced by \$250 and the director must not pay an inventory allowance under subsection (1), or
 - (b) is less than \$250, the additional amount of security is not payable and the director must pay an inventory allowance in the amount of the difference between \$250 and the additional amount of security.
 - (3) Subsections (1) and (2) do not apply to a deputy collector or retail dealer if, at the time an inventory is due, the deputy collector or retail dealer does not have the capacity in the ordinary course of business to store at least 1 000 litres of fuel in total.

- (4) The director must not pay an inventory allowance to a deputy collector or retail dealer under subsection (2) (b) if the difference between \$250 and the additional amount of security is an amount less than \$10.

43 Repealed. [B.C. Reg. 125/2008, s. 43 (5).]

Tax on blends or mixtures

44 (1) Section 13 (1) of the Act does not apply to the following:

- (a) aviation fuel;
- (b) jet fuel;
- (c) natural gas;
- (d) refinery gas;
- (e) Repealed. [B.C. Reg. 294/2009, s. 4 (b).]
- (f) gas liquids;
- (g) pentanes plus;
- (h) gasoline;
- (i) light fuel oil.

- (2) If a mixture or blend includes a fuel prescribed in subsection (1), section 13 (1) of the Act applies for the purposes of determining the amount of tax payable on a mixture or blend under section 13 (3) of the Act as if the prescribed fuel were not a mixture or blend.

[am. B.C. Reg. 294/2009, s. 4.]

Certificate of lien form

45 For the purposes of section 64 (2) of the Act, a certificate of lien must

- (a) be in the form specified by the director, and
- (b) include at least the following information:
 - (i) the name and address of the person against whom the lien is being registered;
 - (ii) information sufficient to identify the real property against which the lien is being registered;
 - (iii) the amount remaining unpaid or unremitted.

[en. B.C. Reg. 65/2021, App. 1, s. 1.]

Fuel imported by ship – classes of fuel and amounts

45.1 Each class of fuel set out in column 1 of the following table is prescribed for the purposes of section 1.1 (3) (a) (i) of the Act and the amount set out in column 2 of the table opposite a class of fuel is the amount prescribed for that class of fuel for the purposes of section 1.1 (3) (a) (ii) of the Act.

Table

Item	Column 1 Class of Fuel	Column 2 Prescribed Amount
1	fuels that are liquids at standard reference conditions	5 million litres
2	fuels that are gases at standard reference conditions	30 million litres
3	fuels that are solids	25 000 tonnes

[en. B.C. Reg. 142/2012, Sch. 1, s. 3.]

PART 10 – OFFENCES**Offences**

46 A person who contravenes section 8, 9, 10, 10.1, 10.2, 10.3, 11, 12, 12.1, 13, 13.1, 13.2, 13.3, 13.4, 14, 20.2, 22.6, 22.7, 30, 31, 32, 34, 35 or 41.5 commits an offence and is liable

- (a) on the first conviction, to a fine of not less than \$200 and not more than \$500, and
- (b) on a subsequent conviction for contravention of the same or another provision of this regulation, to a fine of not less than \$500 and not more than \$2 000 or to imprisonment for not less than 90 days and not more than 180 days, or to both.

[am. B.C. Regs. 312/2008, App. 1, s. 2; 112/2011, s. 2; 246/2013, App. 1, s. 13; 79/2015, Sch. 1; 180/2016, App. 1, s. 9.]

SCHEDULE

Repealed. [B.C. Reg. 65/2021, App. 1, s. 2.]