

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. **386**, Approved and Ordered **JUN - 6 2008**

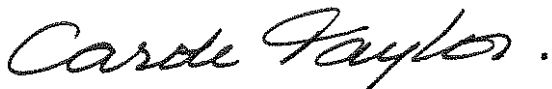


Lieutenant Governor
Administrator

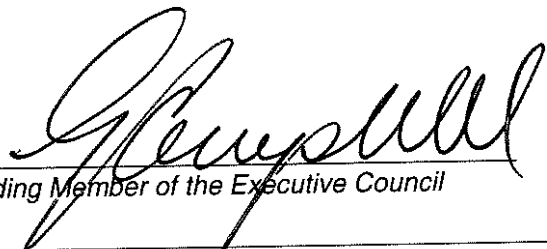
Executive Council Chambers, Victoria

~~Lieutenant Governor~~
Administrator

On the recommendation of the undersigned, the ~~Lieutenant Governor~~, by and with the advice and consent of the Executive Council, orders that, effective July 1, 2008, the attached Carbon Tax Regulation is made.



Minister of Finance



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- Carbon Tax Act, S.B.C. 2008, c. 40, ss. 1, 8 to 14, 16, 19 to 21, 30, 35, 37 to 40, 84, 88

Other (specify):- _____

CARBON TAX REGULATION

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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*;
 - “**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;
 - “**interjurisdictional air service**” means a person who
 - (a) owns or operates a commercial air service that offers interprovincial or international air transportation of passengers, goods or both to members of the public for a fee on a scheduled or chartered basis, and
 - (b) does not offer any scheduled or chartered flights that connect 2 locations in British Columbia in any commercial air service;
 - “**interjurisdictional leg**” means a portion of a trip on a ship that
 - (a) begins at or near a port or other similar place that is in a foreign state and ends at a location in British Columbia, or
 - (b) ends at or near a port or other similar place that is in a foreign state and begins at a location in British Columbia;
 - “**intraprovincial leg**” means a portion of a trip on a ship that
 - (a) connects a port in British Columbia where passengers embark or goods are loadedwith

(b) the same port or another port in British Columbia where the passengers permanently disembark or the goods are unloaded

if the ports referred to in paragraphs (a) and (b) are connected on the trip either directly or via one or more other ports in British Columbia;

“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.

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 exclusively 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.

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.

- (3) The director may issue a registered consumer certificate to an interjurisdictional air service only if
 - (a) the interjurisdictional air service holds a licence issued by the Canadian Transportation Agency and an operating certificate issued by Transport Canada for each aircraft owned or operated by the interjurisdictional air service, and
 - (b) all flights offered by the interjurisdictional air service that begin or end in British Columbia are authorized by the Canadian Transportation Agency and Transport Canada.

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 offers air transportation of passengers, goods or both to members of the public for a fee on a scheduled or chartered basis, 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
 - (a) the person holds a licence issued by the Canadian Transportation Agency and an operating certificate issued by Transport Canada for each aircraft that is part of the commercial air service owned or operated by that person, and
 - (b) all flights offered by the person as part of that commercial air service are authorized by the Canadian Transportation Agency and Transport Canada.

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 offers marine transportation of passengers, goods or both to members of the public for a fee on a scheduled or chartered basis, 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 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 offers marine services 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 marine certificate, at least 50% of all the 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), trips by a ship that is referred to in section 19 or 20 must not be included in the calculation of trips under those subsections.

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;
 - (c) locomotive diesel fuel.

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 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 deliver returns and remit tax or pay security on or before the 15th day of the first month following each 3 month period beginning on January 1, April 1, July 1 or October 1.
- (4) A collector permitted under subsection (2) to deliver returns and remit tax or pay security on an annual basis must deliver returns and remit tax or pay security on or before August 15.
- (5) If a collector has not collected tax or is not required to pay security on sales in the previous month, quarter or year, as applicable, the collector must nonetheless deliver to the director a return under subsection (1), (3) or (4), as applicable.

Deputy collectors and retail dealers

- 9 A deputy collector or retail dealer referred to in 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.

Retail dealers of marketable natural gas or propane

- 10 (1) Subject to subsection (2), a retail dealer of marketable natural gas or propane 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 marketable natural gas or propane 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 allow a retail dealer of marketable natural gas or propane to deliver returns and remit tax on a quarterly or annual basis.
- (3) A retail dealer of marketable natural gas or propane permitted under subsection (2) to deliver returns and remit tax on a quarterly basis must deliver returns and remit tax on or before the 15th day of the first month following each 3 month period beginning on January 1, April 1, July 1 or October 1.
- (4) A retail dealer of marketable natural gas or propane permitted under subsection (2) to deliver returns and remit tax on an annual basis must deliver returns and remit tax on or before August 15.

Registered consumers

- 11 (1) Subject to subsection (2), a person who is a registered consumer must, under section 11 of the Act, on or before the 15th day of each month in respect of tax payable on the amount of a type or subcategory of a type of fuel specified on that person's registered consumer certificate 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 registered consumer 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 deliver returns and pay tax on or before the 15th day of the first month following each 3 month period beginning on January 1, April 1, July 1 or October 1.
- (4) A registered consumer permitted under subsection (2) to deliver returns and pay tax on an annual basis must deliver returns and pay tax on or before August 15.
- (5) A registered consumer, other than an interjurisdictional air service, who has no tax payable for the previous month, quarter or year, as applicable, must

nonetheless deliver to the director a return under subsection (1), (3) or (4), as applicable.

Registered air services and registered marine services

- 12** (1) Subject to subsection (3), a person who is a registered air service or registered marine service must, under section 8 (5), 9 (4) or 10 (6) of the Act, on or before the 15th day of each month in respect of tax payable on the amount of a type or subcategory of a type of fuel specified on that person's registered air service certificate or registered marine service certificate that the person has purchased, transferred or brought into British Columbia,
- (a) deliver to the director 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 for that previous month.
- (2) Subject to subsection (3), a person who is a registered air service or registered marine service must, under section 11 of the Act, on or before the 15th day of each month in respect of tax payable on the amount of a type or subcategory of a type of fuel specified on that person's registered air service certificate or registered marine service certificate 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.
- (3) The director may permit a registered air service or a registered marine service to deliver returns and pay tax on a quarterly or annual basis.
- (4) A registered air service or registered marine service permitted under subsection (3) to deliver returns and pay tax on a quarterly basis must deliver returns and pay tax on or before the 15th day of the first month following each 3 month period beginning on January 1, April 1, July 1 or October 1.
- (5) A registered air service or a registered marine service permitted under subsection (3) to deliver returns and pay tax on an annual basis must deliver returns and pay tax on or before August 15.
- (6) A registered air service or registered marine service who has no tax payable in the previous month, quarter or year, as applicable, must nonetheless deliver to the director a return under subsection (1), (2), (4) or (5), as applicable.

Payment of tax

- 13** (1) Subject to section 12 and subsection (4) of this section, a person must, under section 9 (1) or 10 (1) of the Act, on or before the 28th day of each month in respect of tax payable on fuel that the person has transferred or brought into British Columbia,
- (a) deliver to the director 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 for that previous month.
- (2) Subject to sections 11 and 12 and subsection (4) of this section, a person must, under section 11 of the Act, on or before the 28th day of each month in respect of tax payable on the amount of 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.
- (3) Subject to subsection (4), a person must, under section 12 of the Act, 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.
- (4) The director may permit a person referred to in subsections (1), (2) and (3) to deliver returns and pay tax on a quarterly or annual basis.
- (5) A person permitted under subsection (4) to deliver returns and pay tax on a quarterly basis must deliver returns and pay tax on or before the 28th day of the first month following each 3 month period beginning on January 1, April 1, July 1 or October 1.
- (6) A person permitted under subsection (4) to deliver returns and pay tax on an annual basis must deliver returns and pay tax on or before August 28.

Payment of refund of security

- 14** A vendor, wholesale dealer or retail dealer referred to in section 37 (4) of the Act who receives security or collects an amount under section 37 (4) of the Act must, on or before the 15th day of each month in respect of that amount received or collected,
- (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 received or collected.

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.

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 under section 11 of the Act.

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 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 marketable natural gas;
- (f) used as a refrigerant in a closed system in the processing of marketable natural gas.

(2) If a fuel set out in column 1 of the following table is combusted as a reductant in the production of the metal set out in column 2 opposite that type of fuel, an amount, determined in accordance with the following formula, of that fuel is exempt from tax under section 11 of the Act.

$$X=Y \times Z$$

where

- X is the amount, expressed in tonnes, of a fuel set out in column 1 of the table that is exempt from tax under section 11 of the Act;
- Y is the number set out in column 3 opposite the fuel that is the reductant in the production of a the metal that is Z in the formula;
- Z is the amount, expressed in tonnes, of the metal set out in column 2 of the table that is being produced.

Table

Item	Column 1 Fuel	Column 2 Metal Produced	Column 3 Calculation
1	coke	lead	0.0580
2	coke	zinc	0.1840
3	high heat coal	lead	0.0694
4	high heat coal	zinc	0.2203
5	low heat coal	lead	0.0812
6	low heat coal	zinc	0.2575

Exemption – interjurisdictional flights

18 (1) Fuel used in a flight is exempt from tax under section 11 of the Act if the flight

- (a) is offered by a commercial air service to members of the public for a fee,

- (b) transports passengers, goods or both on a scheduled or chartered basis,
 - (c) begins or ends outside British Columbia, and
 - (d) is authorized by the Canadian Transportation Agency and Transport Canada.
- (2) Without limiting subsection (1), fuel used by a registered consumer for interjurisdictional air travel or transport for a fee in the circumstances set out in paragraphs (b) to (d) of that subsection is exempt from tax under section 14 (2) (f) of the Act.

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 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 5 – REFUNDS

Refund claims

- 23 If a person is claiming a refund of tax or security, the person must submit to the director a claim for the refund in a form that is satisfactory to the director.

Refund for bad debts

- 24 (1) The director may, under section 38 (1) of the Act pay a refund of the portion of the amount remitted or paid to the government determined in accordance with the following formula:

$$R = TR \times \frac{WO}{TAP}$$

where

- R is the amount of the refund to which the collector, deputy collector or retail dealer is entitled in respect of the sale;
- TR is the tax remitted or security paid in respect of the fuel;
- WO is the amount of money remaining unpaid on the sale that was written off as unrealizable or uncollectable, not including interest charges;
- TAP is the total amount payable on the sale including all applicable taxes and security, but not including interest charges.

- (2) Under section 38 of the Act, a collector may deduct from the taxes or security that the collector would otherwise be required to pay or remit the amount of a refund referred to in subsection (1) by the collector submitting with the return
 - (a) the name and address of the buyer whose account has been written off,
 - (b) the amount of the sale and the tax or security involved,
 - (c) the date of the sale, and
 - (d) a statement that
 - (i) the amount of tax or security being deducted has been written off as unrealizable or uncollectable,
 - (ii) the collector is of the opinion that the amount of tax or security being deducted is unrealizable or uncollectable, and
 - (iii) the collector will, on recovering any part of the amount written off for which a refund is obtained or a deduction is taken under this subsection, remit to the director, by the 15th day of the month following the month in which the recovery is made, the proportion of the refund or deduction that the amount recovered bears to the amount written off.
- (3) A collector, deputy collector or retail dealer who, under section 38 of the Act, obtains a refund or deducts the amount of the refund from the amount of taxes or security required to be remitted or paid must retain all records of the sale in relation to which the tax was imposed or the security was payable until their disposal is authorized by section 32.
- (4) If a collector, deputy collector or retail dealer intends to apply for a refund under section 38 of the Act, or a collector intends to deduct that refund from the amount required to be remitted, the collector, deputy collector or retail dealer must do so as soon as possible after writing off the collection of the tax or the security.

Refund – feedstock

- 25 If the director is satisfied that an amount has been paid as 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, on application, pay to the applicant a refund of the tax paid on the fuel used as a raw material in the industrial process.

Refund – non-energy uses of fuel

- 26 (1) If the director is satisfied that an amount has been paid as tax on fuel that was not combusted when used in the following circumstances, the director must, on application, pay the applicant 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 marketable natural gas;
 - (f) used as a refrigerant in a closed system in the processing of marketable natural gas.
- (2) If the director is satisfied that a fuel set out in column 1 of the table was combusted as a reductant in the production of the metal set out in column 2 opposite the type of fuel, the director must, on application, pay the applicant a refund of the tax paid for the amount of fuel combusted as a reductant, as determined in accordance with the following formula:

$$X=Y \times Z$$

where

- X is the amount, expressed in tonnes, of a fuel set out in column 1 of the table that is eligible for a refund of tax;
- Y is the number set out in column 3 opposite the fuel that was the reductant in the production of a the metal that is Z in the formula;
- Z is the amount, expressed in tonnes, of the metal set out in column 2 of the table that was produced.

Table

Item	Column 1 Fuel	Column 2 Metal Produced	Column 3 Calculation
1	coke	lead	0.0580
2	coke	zinc	0.1840
3	high heat coal	lead	0.0694
4	high heat coal	zinc	0.2203
5	low heat coal	lead	0.0812
6	low heat coal	zinc	0.2575

Refund – interjurisdictional flights

- 27 For the purposes of section 39 of the Act, if the director is satisfied that an amount has been paid as tax on fuel that was used in a flight that

- (a) was offered by a commercial air service to members of the public for a fee,
- (b) transported passengers, goods or both on a scheduled or chartered basis,
- (c) began or ended outside British Columbia, and
- (d) was authorized by the Canadian Transportation Agency and Transport Canada,

the director must, on application, pay the applicant a refund of the tax paid on the fuel.

Refund – interjurisdictional marine travel or transportation

- 28** (1) For the purposes of section 39 of the Act, if the director is satisfied that an amount has been paid as tax for fuel that was used by a ship for a trip that
- (a) transported passengers, goods or both for a fee on a scheduled or chartered basis, and
 - (b) did not include an intraprovincial leg,
- the director must, on application, pay the applicant a refund of the tax paid on the fuel used on that trip.
- (2) For the purposes of section 39 of the Act, if the director is satisfied that an amount has been paid as tax for fuel that was used by a ship for a trip that
- (a) transported passengers, goods or both for a fee on a scheduled or chartered basis, and
 - (b) included an intraprovincial leg,
- the director must, on application, pay the applicant a refund of the tax paid on the fuel used on the portion of the trip not included in the intraprovincial leg.

Refund – commercial marine services

- 29** If the director is satisfied that an amount has been paid as tax for fuel that was used by a ship for a trip that
- (a) included an interjurisdictional leg, and
 - (b) was made in the course of providing marine services to members of the public for a fee,
- the director must, on application, pay the applicant a refund of the tax paid on the fuel used on the interjurisdictional leg.

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, at the person's principal office or principal place of business in British Columbia, records of inventories maintained by the person and records of each importation, manufacture, purchase and sale of fuel made by the person.

Records of taxpayers

- 31** A person who is required to file returns for the payment of tax under the Act must keep, at the person's principal office or principal place of business in British Columbia, records of the person's operations that substantiate the information

provided on the person's tax returns with respect to the importation, purchase, transfer of fuel within the meaning of section 9 of the Act, use of fuel and burning of a combustible by the person.

Retention of records

- 32
- (1) A person who is required to retain records under the Act must retain in British Columbia 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, 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 under section 56 or 57 of the Act have been exhausted.

Records of registered air and marine services and interjurisdictional air services

- 33
- Despite section 31 or 32, the director may permit a person who is
- (a) a registered air service,
 - (b) a registered marine service, or
 - (c) a registered consumer who is an interjurisdictional air service
- to keep and retain records outside of British Columbia.

Invoices

- 34
- (1) A person 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.
 - (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.
 - (4) A person, other than a person referred to in subsections (1) to (3), who sells fuel must, if requested to do so by the person to whom the fuel is sold, provide that person with an invoice.
 - (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.

Information in sales documents

- 35** (1) A retail dealer 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 completed Certificate of Exemption in a form established by the director.
- (2) A person who holds a registration certificate and is not required to collect tax from a buyer of marketable natural gas or propane 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 completed Certificate of Exemption in a form established by the director.

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.

Calculation of interest if assessment exceeds refund

- 37** (1) This section applies to the calculation of interest under section 55 (1) of the Act if
- (a) the director makes an assessment of an amount against a person under section 45 (1) or (2) of the Act,
 - (b) the director has determined that the person referred to in paragraph (a) is entitled to a refund under the Act in respect of taxes paid or remitted or security paid during the period of time considered by the director in making the assessment referred to in paragraph (a),
 - (c) prior to the director's giving notice of the assessment for the amount referred to in paragraph (a), the application for the refund that is required by the Act is made by the person but the refund is not yet made, and

- (d) the amount referred to in paragraph (a) is equal to or exceeds the amount of the refund referred to in paragraph (b).
- (2) In the circumstances set out in subsection (1), the director must calculate interest on the amount referred to in subsection (1) (a) as follows:
- (a) by calculating the interest, in the manner set out in section 36 and at the rate prescribed under the Interest Rate Under Various Statutes Regulation, B.C. Reg. 386/92, on each of the following:
 - (i) the amount referred to in subsection (1) (a);
 - (ii) the amount referred to in subsection (1) (b) as if that amount were an amount of tax or security assessed against the person on the date that the person remitted or paid the tax or security that resulted in the person's entitlement to the refund;
 - (b) by subtracting the amount calculated under paragraph (a) (ii) from the amount calculated under paragraph (a) (i);
 - (c) by calculating the interest payable on the amount referred to in subsection (1) (b) in the manner and at the rate prescribed under the Interest on Overdue Accounts Payable Regulation, B.C. Reg. 215/83;
 - (d) by adding the amount calculated under paragraph (c) to the amount calculated under paragraph (b).
- (3) If the amount calculated under subsection (2) (d) is a negative amount, the interest on the amount referred to in subsection (1) (a) is zero.

Calculation of interest if refund exceeds assessment

- 38** (1) This section applies to the calculation of interest under section 55 (1) of the Act if section 37 (1) (a), (b) and (c) of this regulation apply, but the amount referred to in section 37 (1) (a) is less than the amount referred to in section 37 (1) (b) and (c).
- (2) In the circumstances set out in subsection (1),
- (a) the rate of interest payable on the amount referred to in section 37 (1) (a) during each successive 3 month period, beginning on January 1, April 1, July 1 and October 1 in every year, is 2% below the prime lending rate of the principal banker to the Province on the 15th day of the month immediately preceding that 3 month period, and
 - (b) interest must be
 - (i) compounded monthly, and
 - (ii) 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.

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) is equal to the greater of
- (a) \$10, or
 - (b) the applicable rate set out in the table in subsection (3) for each kilometre that the IFTA commercial vehicle will travel in British Columbia, as estimated by the director in accordance with subsection (4), to a maximum amount of the rate of tax per litre, applicable when the deposit is payable, set out in the column opposite "light fuel oil" in the Table in Schedule 1 of the Act, multiplied by 900.
- (3) The rates for each kilometre for the purposes of subsection 2 (b) are as follows:

Item	Rate for each kilometre	For the period starting
1	1¢	July 1, 2008
2	2¢	July 1, 2009
3	3¢	July 1, 2011
4	4¢	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.

Refund for IFTA commercial vehicle

- 40** A person who pays a deposit under section 39 is entitled to a refund of the amount by which the amount in paragraph (a) exceeds the amount in paragraph (b), if any:
- (a) the amount of the deposit paid by a person for an IFTA commercial vehicle under section 39 plus the amount of tax paid for fuel purchased in British Columbia for use in the IFTA commercial vehicle;
 - (b) the amount of tax that would be payable under section 11 of the Act, if it were applicable, on the use of fuel by the IFTA commercial vehicle in respect of travel in British Columbia.

Remittance of tax by IFTA commercial vehicle

- 41** A person who pays a deposit under section 39 must, in accordance with section 13, remit to the director the amount by which the amount in paragraph (a) is less than the amount in paragraph (b), if any:
- (a) the amount of the deposit paid by a person for an IFTA commercial vehicle under section 39 plus the amount of tax paid for fuel purchased in British Columbia for use in the IFTA commercial vehicle;

- (b) the amount of tax that would be payable under section 11 of the Act, if it were applicable, on the use of fuel by the IFTA commercial vehicle in respect of travel in British Columbia.

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.

Inventory allowance – transition

- 43** (1) Subject to subsections (2) to (4), 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 88 (4) of the Act.
- (2) If the amount of security payable under section 88 (5) of the Act
- (a) is greater than \$250, the amount of security payable under section 88 (5) of the Act is reduced by \$250 and the director must not pay an inventory allowance under subsection (1), or
 - (b) is less than \$250, the amount of security is not payable under section 88 (5) of the Act and the director must pay an inventory allowance in the amount of the difference between \$250 and the amount of security payable under section 88 (5) of the Act.
- (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 of less than \$10.

(5) This section is repealed on December 31, 2008.

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) raw natural gas;
 - (d) refinery gas;
 - (e) marketable natural gas.
- (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.

Form prescribed

45 The form set out in the Schedule is prescribed for purposes of section 64 (2) of the Act.

PART 10 – OFFENCES

Offences

- 46 A person who contravenes section 8, 9, 10, 11, 12, 13, 14, 30, 31, 32 or 34 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 3 months and not more than 6 months, or to both.

SCHEDULE

CREST **Province of British Columbia** Ministry of Small Business and Revenue

IN THE MATTER OF THE *CARBON TAX ACT*, S.B.C. 2008, CHAPTER 40, SECTION 64, AND IN THE MATTER OF THE INTEREST

OF [name]

IN

..... [P.I.D. number and full legal description of land]

CERTIFICATE OF LIEN

I certify that:

I [name]

..... [address]

is

- (a) required to pay or remit an amount under the *Carbon Tax Act* but has not paid or remitted that amount, or
- (b) an associated corporation or related individual, as defined in the *Carbon Tax Act*, of a person who is required to pay or remit an amount under the *Carbon Tax Act* and has not paid or remitted that amount.

2 The amount of taxes and security remaining unpaid as of the date of this certificate is \$.....

AND TAKE NOTICE that on registration of this certificate in the land title office, the amount of the indebtedness to Her Majesty the Queen in right of the Province of British Columbia is a lien against the land described above.

Dated at, British Columbia, on[date]

.....
Director, *Carbon Tax Act*