

## Notice to Deputy Collectors and Retail Dealers Fuel Inventory Carbon Tax Act

Latest Revision: The revision bar ( | ) identifies changes to the previous version of this notice dated March 2023. For a summary of the changes, see Latest Revision at the end of this document.

### Overview

Effective April 1, 2023, the carbon tax rates that apply to most fuels in B.C. will increase from the April 1, 2022 rates. For a complete list of the fuels subject to carbon tax and their tax rates, see [Carbon Tax Rates by Fuel Type](#).

This notice explains your responsibilities as deputy collectors (wholesale dealers) and retail dealers for calculating and paying the additional security due on your fuel inventory. If you purchased fuel in B.C. for resale and paid, or will be paying, security to your supplier (as required under the Carbon Tax Act), you are considered a deputy collector or a retail dealer for that fuel.

**This notice does not apply to natural gas sellers.**

### Fuel Inventory as of April 1, 2023

If you are a deputy collector or a retail dealer, you must determine the amount of fuel you own at 12:01 am on April 1, 2023, report it as inventory, and pay the additional security due on that inventory. You must include all fuel you own, or are deemed to own, for resale purposes.

You are deemed to own fuel at 12:01 am on April 1, 2023, if:

- you entered into an agreement to buy the fuel and the agreement provides that you own the fuel at 12:01 am on April 1, 2023,
- you have not received delivery of the fuel before April 1, 2023, and

- you have not entered into an agreement with another person which clearly identifies that the other person owns the fuel on April 1, 2023.

You are also deemed to own fuel on April 1, 2023, if:

- you are a retail dealer and you entered into an agreement to sell the fuel to an end purchaser before April 1, 2023, and
- the purchaser has not received delivery of the fuel before April 1, 2023.

If you enter into an agreement to sell fuel at the previous tax rate to another fuel seller and the agreement provides they own that fuel at 12:01 am on April 1, 2023, you do not report that fuel even if you deliver that fuel to the other fuel seller on or after April 1, 2023. In this case, the other fuel seller reports the volume on their inventory return.

If you do not have any security-paid fuel or fuel on which you are required to pay security to your supplier, you are not required to submit an inventory return. This is the case even if you are a fuel seller with a registered carbon tax inventory account. If you receive an inventory return reminder by mail or an eTaxBC web message, contact us at [CarbonTax@gov.bc.ca](mailto:CarbonTax@gov.bc.ca) to confirm you are not required to submit an inventory return, and we will cancel your requirement to file the return for this tax rate change. Provide an explanation of why you do not have security-paid inventory.

## **Reporting and Paying Security**

You must pay as security an amount equal to the difference between the carbon tax rates in effect before April 1, 2023, and the carbon tax rates that take effect on April 1, 2023, multiplied by the volume of inventory on hand at 12:01 am on April 1, 2023.

You must complete a carbon tax inventory return to calculate and report your inventory and determine the amount of additional security due. You can file your return and pay your security owing:

- Online using [eTaxBC](https://etaxbc.gov.bc.ca) (contact us at [CarbonTax@gov.bc.ca](mailto:CarbonTax@gov.bc.ca) if you do not have an inventory account and would like to register for one)
- By mail using the Carbon Tax Return - Inventory ([FIN 103](#)) form available on our [website](#)

## **Due Date**

The due date for the inventory return and security payment is April 17, 2023.

- If you file your return using eTaxBC, your return and payment are considered on time if they are submitted before midnight on the due date.
- If you send in your return and payment by mail, they are considered on time if the envelope is postmarked by Canada Post (or a national equivalent outside Canada) on or before the due date. A business postage meter mark is not sufficient. If you mail your return and payment on or near the due date, ask Canada Post to postmark the envelope immediately. Include your return payment voucher.
- Payments must be negotiable on or before the due date and payable in Canadian funds to the Minister of Finance.

## **Allowance for Reporting Inventory**

You are entitled to an inventory allowance of \$250 for calculating and reporting the fuel inventory you own, or are deemed to own, for resale purposes, if you:

- file your inventory return and make any payment due on or before the due date, and
- have fuel inventory and the capacity to store at least 1,000 litres of fuel.

You deduct this inventory allowance from the additional security you owe and pay the remaining amount of security to us. If the amount of additional security you owe is less than \$250, you will be issued a refund for the difference between the amount owing and the \$250 allowance. We cannot issue a refund of less than \$10.

You are not eligible for the inventory allowance if you are not required to submit an inventory return.



## Need more info?

Online: [gov.bc.ca/fuelandcarbontax](http://gov.bc.ca/fuelandcarbontax)

Toll free: 1-877-388-4440

Email: [CarbonTax@gov.bc.ca](mailto:CarbonTax@gov.bc.ca)

Subscribe to our [What's New](#) page to receive email updates when information changes.

The information in this notice is for your convenience and guidance and is not a replacement for the legislation.

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### Latest Revision

March 31, 2023

- Clarified that a deputy collector or retail dealer must determine the amount of fuel they own **at 12:01 am** on April 1, 2023, report it as inventory, and pay the additional security due on that inventory
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