



Ontario Gasoline Tax Refund Program

This bulletin was revised June 2008 to incorporate formatting changes and changes in ministry name and contact information only.

- This bulletin replaces a previous Guide Note issued in 1988: Ontario Gasoline Tax Refund Program.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Gasoline Tax Act* and its regulations.

General

Eligibility Gasoline tax is imposed on all grades of gasoline at the time of purchase. A refund of the tax paid may be claimed by the purchaser when the gasoline is used:

- in any equipment or vehicle that is not licensed or required to be licensed under the *Highway Traffic Act* and operated in Ontario by any business, industry or institution; and
- where such equipment or vehicles are not operated principally for the recreation or pleasure of its owner or operator.

Equipment for which a refund may be claimed

- farming equipment - unlicensed tractors, combines;
- construction equipment - unlicensed bulldozers, graders;
- forestry equipment - unlicensed skidders, slashers;
- commercial fishing vessels;
- construction work boats.

Note: Gasoline used outside of Ontario does not qualify for a tax refund. Gasoline used in any licensed vehicle does not qualify for a tax refund.

Auxiliary Equipment "Power Take-Off" (PTO) Refund

Gasoline used in Ontario to power auxiliary equipment located on a licensed vehicle qualifies for a tax refund. A unit powered from an engine which uses gasoline from a vehicle's fuel tank is considered a "Power Take-Off" (PTO) function and qualifies for a PTO refund. To qualify for the refund, the licensed vehicle cannot be principally used for the transportation of passengers or for pleasure or recreational uses.

In most of these cases, it is not possible to accurately measure the amount of gasoline used. As a result, refund allowances are based on the equipment manufacturer's fuel consumption specifications as approved by the Ministry. Refund allowances have been established for a number of PTO operations and are available on request from the Ministry.

For information on the PTO refund for interjurisdictional carriers, please refer to **Ontario Tax Bulletin No. FT/GT 4-2000**.

How to Claim a Gasoline Tax Refund An application for refund must be completed and submitted to the Ministry within four years from the date the tax for which a refund is sought was paid. Any portion of a claim filed after this time period will be disallowed. Purchase invoices pertaining to the claim must be submitted with the refund application. Invoices will not be returned unless requested by the applicant at the time of filing.

Invoices in Support of Tax Refund The GTA requires that an invoice covering the sale of gasoline must contain the following information:

1. the name and address of the vendor and of the purchaser;
2. the selling price per litre of the gasoline;
3. the amount of the tax charged;
4. the quantity of gasoline purchased; and
5. the date of sale.

In addition, proof of payment of the tax charged on supporting invoices is also required.

Records must be retained by claimants for seven years for audit purposes.

Reference Number A permanent reference number is assigned to each refund claimant. This number should be quoted when corresponding with the Ministry about gasoline tax refunds.

Important: Penalties exist for misrepresentation of a material fact on the application for the refund or on any document used to support the application. No refund will be paid if an applicant misrepresented a material fact on an invoice submitted in support of a refund claim.

General Guide Taxable and Refundable Use of Fuels under the <i>Gasoline Tax Act</i>		
Use	Gasoline	Propane
A. Cooking	Refund on business use only	Non-taxable
B. Heating (accommodation)	Refund on business use only	Non-taxable
C. Propulsion of:		
I. Licensed Vehicles	Taxable	Taxable
II. Working Boats (Tugs, dredges)	Refund on business use only	Non-taxable
III. Motorized Snow Vehicles (Pleasure Use)	Taxable	Non-taxable
IV. Motorized Snow Vehicles	Refund on business use only	Non-taxable
V. Pleasure Craft	Taxable	Non-taxable
VI. Freighters	Refund on business use only	Non-taxable
D. Heating (construction)	Refund on business use only	Non-taxable
E. Burning Material	Refund on business use only	Non-taxable
F. Generation of Electricity	Refund on business use only	Non-taxable
G. Lighting (lanterns, lamps)	Refund on business use only	Non-taxable

Use	Gasoline	Propane
H. Propulsion of Unlicensed Equipment (business use)	Refund on business use only	Non-taxable
I. Propulsion of Auxiliary Unit on Licensed Vehicle (via PTO/common fuel tank)	Refund based on Ministry approved PTO allowance	Refund based on Ministry approved PTO allowance
J. Propulsion of Auxiliary Unit on Licensed Vehicle (via separate fuel tank)	Refund based on direct issues to separate tank	Non-taxable

Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

Ministry of Revenue
Client Accounts and Services Branch
33 King Street West
Oshawa, ON L1H 8H9

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This bulletin and various other English and French tax materials published by the Ministry of Revenue may be obtained online at ontario.ca/revenue.

The *Gasoline Tax Act* and Ontario's other public statutes and regulations may be obtained online at www.e-laws.gov.on.ca.

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