

Questions and Answers

Nova Scotia Indian Fuel Tax Exemption Program

Request for Increase in Fuel Tax Exemption

How was the 400 litre monthly base amount established for the gasoline and diesel oil point of sale tax exemption provided to Indians?

Independent research indicates an average size passenger vehicle will consume much less than 400 litres in a month.

Natural Resources Canada provides information for fuel consumption ratings for different types of passenger vehicles, reflecting real world driving conditions in Canada. For example, a 2011 Chevolet Express with a eight cylinder engine consumes, on average less than 266.7 litres of regular unleaded fuel a month (3,200 litres of fuel per year).

The age of the vehicle and it's condition, your driving habits, the season and where you travel will affect your fuel consumption, but federal fuel consumption ratings are a good indicator of how much fuel most people use.

Sample Vehicle Fuel Consumption Rates

(Based on 55% city and 45% highway driving)

Category	Make	Model	Fuel Consumption in Kilometers	
			Kms/Litre	Per 400 Litres
Compact Car	Hyundai	Accent	15.03	6,011
Mid-sized Car	Ford	Fusion	13.07	5,229
Large Car	Ford	Taurus	10.40	4,158
Pickup Truck	Chevrolet	Silverado	8.16	3,264
Van	Chevrolet	Express	6.27	2,508
Multi-Purpose	GMC	Yukon	8.20	3,280

I have more than one vehicle. Will the 400 litre base amount take this into account?

The 400 litre monthly fuel allocation is for each qualified individual licence holder; not the number of vehicles an individual may own or operate.

I operate an unincorporated on-reserve business, with a number of employees who drive my vehicles. Will my base amount be increased in proportion to the number of employees who drive my vehicles?

No. The 400 litre base amount is for your use only. In cases where your unincorporated on-reserve business requires more fuel, you may apply for an increase to your monthly allocation based on the amount of fuel you require.

I am required to travel for my work. Can I apply for an increase?

Yes. You should apply for an increase whenever you are required to travel as a condition of your employment and your fuel consumption warrants. Employees operating employer owned vehicles may also apply where they are the purchaser(s) of the fuel.

I operate an incorporated business. Can my business obtain the fuel tax exemption with a 400 litre monthly allocation?

No. Incorporated businesses are not eligible for the exemption.

I have more than one driver in my family. Will my monthly base amount be increased to reflect the number of drivers in my family?

No. The monthly base amount of 400 litres is per individual. Every status Indian who has a valid Nova Scotia driver's licence is eligible to join the program and purchase tax exempt fuel on reserve. Application forms are available at Access Nova Scotia, at Indian Band Council Offices, at on-reserve service stations or on the Service Nova Scotia website:

novascotia.ca/sns/pdf/ans-taxcomm-indian-fuel-tax-exempt.pdf.

When can a request for increase to the base amount be submitted?

You may request an increase in the 400 litre base amount when you first apply to the Nova Scotia Indian Fuel Tax Exemption program, or any time after you are enrolled in the program. Application forms for an increase to the base amount are available at Access Nova Scotia, at Band Council Offices or on the Service Nova Scotia website:

novascotia.ca/sns/pdf/ans-taxcomm-nsifte-fuel-tax-increased-exemption-application.pdf.

The 400 litre base amount is available every month and you do not need to re-apply for this exemption in the future.

You do need to apply for an addition to the 400 litre base every three years, which is forwarded in the form of a renewal notice 30 days prior to your expiry date.

What happens if I don't apply for an increase to my 400 litre base amount and my fuel purchases exceed the base amount?

For most motorists, the chances of this happening are rare. If you do exceed your 400 litre base amount, tax will be charged on the fuel purchase. Keep your receipt and apply for a refund, through Service Nova Scotia.

For further information about the Nova Scotia Indian Fuel Tax Exemption Program, contact our Tax Information Line: 1 800 565-2336 (toll-free) and select option 5.

To check the status of an application to the Nova Scotia Indian Fuel Tax Exemption Program, please contact Service Nova Scotia at 902-424-6717.