

Tax Information

Guide 2001

Guide: 2001
Date: October 26, 2011
Subject: Purchases of Gasoline, Diesel Oil and Propane by Commercial Fishers

The purpose of this Guide is to provide direction on the application of gasoline, diesel oil and propane tax as it applies to purchases of gasoline, diesel oil and propane by commercial fishers for use in operating their fishing vessels.

A commercial fisher may obtain an exemption from or refund of gasoline, diesel oil or propane tax on purchases of gasoline, diesel oil and propane for use in operating a fishing vessel, while the fishing vessel is being used for the purpose of fishing or harvesting of marine plants, provided that such fishing vessel is a Canadian fishing vessel or is leased to a Canadian corporation and lands its catch in Canada, or transfers all or part of its catch to another vessel while inside Canadian fisheries waters or to operate machinery and apparatus used in aquaculture.

A Canadian fishing vessel is defined in the *Revenue Act* to mean:

- A fishing vessel that is registered or licensed in Canada under the *Canada Shipping Act* and is owned by one or more persons each of whom is a Canadian citizen, a person resident and domiciled in Canada or a corporation incorporated under the laws of Canada or of a province, having its principal place of business in Canada,
- or
- A fishing vessel that is not required by the *Canada Shipping Act* to be registered or licensed in Canada and is not registered or licensed elsewhere but is owned as described above.

Motor vehicles operated by a commercial fisher that consume gasoline, diesel oil or propane **do not qualify for an exemption** from gasoline, diesel oil or propane tax either by a Consumer's Exemption Permit or by way of refund. Motor vehicles are not exempt from fuel tax regardless of whether the motor vehicle is:

- registered or unregistered.
- driven on a highway or is driven only in an off-highway area.

Consumer's Exemption Permit

Commercial fishers may apply for a Consumer's Exemption Permit to obtain a fuel tax exemption at the time of purchase if the following criteria are met:

1. The fishing vessel is operated exclusively for the purpose of fishing or harvesting of marine plants for resale.
2. The commercial fisher holds a federal fishing license with the federal Department of Fisheries and Oceans.
3. The fishing vessel is registered as a commercial fishing vessel with the federal Department of Fisheries and Oceans.

To obtain an exemption at the time of purchase, the commercial fisher must complete and forward an exemption application form to purchase tax exempt marked gasoline, diesel oil or propane along with the applicable registration fee payable to the Minister of Finance.

Application forms for a Consumer's Exemption Permit can be obtained from your nearest Access Nova Scotia office or by calling Service Nova Scotia and Internal Services or on our website (See [Application for Permit form](#)).

You may also apply for this permit online via the Nova Scotia's online service for business website (See [Online Permit Application](#)).

Upon approval of the application, a Consumer's Exemption Permit, which is renewable three years from date of issue will be issued to a qualified applicant. Additional information pertaining to the Consumer's Exemption Permit may be viewed on our website (See [Permit Information](#)).

Refund of Gasoline, Diesel Oil and Propane Tax

The refund method must be used by those commercial fishers who:

- purchase gasoline, diesel oil and propane only at the retail level, that is, from service stations;
- do not have storage tanks capable of holding the minimum wholesale delivery of 200 litres of gasoline or diesel oil from an oil company;
- do not have a sufficient number of storage tanks to store both clear (taxable) and marked (tax exempt) gasoline and/or diesel oil to fuel both qualifying (tax-exempt usage) and non-qualifying (taxable usage) equipment and machinery separately; or
- operate multi-use equipment for both taxable and tax-exempt usage.

In these situations, the commercial fisher should purchase gasoline, diesel oil and propane at the full tax rate and apply for a refund based on the percentage of tax-exempt usage.

To obtain a refund of gasoline, diesel oil or propane tax, the commercial fisher is required to complete a refund application form. There is no fee for this service.

An application for refund shall be filed for a period covering 12 months or when the amount claimable exceeds \$100.00.

An application for refund shall be made no later than 15 months from the date the gasoline or diesel oil was purchased.

Refund forms can be obtained from your nearest Access Nova Scotia office or by calling Service Nova Scotia and Internal Services or on our website (See [Application for Refund form](#)).