

Tax Information

Guide 2005

Guide: 2005

Date: October 26, 2011

Subject Purchases of Gasoline, Diesel Oil and Propane by Aquaculturist

The purpose of this guide is to provide direction on the application of fuel tax as it applies to purchases of gasoline, diesel oil and propane by aquaculturists.

Aquaculturists may obtain exemption from or refund of gasoline, diesel oil or propane tax on purchases of gasoline, diesel oil and propane for the purpose of operating machinery and apparatus utilized in aquaculture.

Motor vehicles operated by an aquaculturist 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

Aquaculturists 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 machinery and apparatus are operated exclusively in a commercial aquaculture operation.
2. The machinery and apparatus used in the commercial aquaculture operation are not multi-use equipment operated for both taxable and tax-exempt usage.
3. The commercial aquaculture operation holds a license with the Nova Scotia Department of Fisheries.

To obtain an exemption at the time of purchase, the aquaculturist must complete and forward an exemption application form to purchase tax exempt marked gasoline or diesel oil 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 aquaculturists 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 aquaculturist 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 aquaculturist 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](#)).

Aquaculturists may use tax-exempt fuel or apply for a fuel tax refund when the fuel is used in the following machinery and equipment and in generators and stationary engines to power such machinery and equipment:

- aeration equipment
- air blower air compressor
- air supply equipment
- alarm equipment to alert of changes in water conditions
- aquatic weed harvester
- auger
- automatic feeders used to deliver prescribed amounts of food at specified times
- closed bag containment system
- debyssing machine
- declumping machines used to break apart clumps of shellfish
- egg counting equipment
- egg grading equipment
- egg incubator
- egg taking equipment
- feed grinder
- feed mixer
- fish counting equipment
- fish pump
- forage collection system
- hatchery control system
- heat exchanger
- oxygen generator
- oxygen regulator

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- oxygen meters used to measure the amount of dissolved oxygen in water
- pH meters used to measure the acidity or alkalinity of water
- portable scales
- post hole digger
- pressure washers used to spray clean equipment and nets for quality control
- pumps
- robotic feeder
- seaweed and kelp harvesters used to collect seaweed and kelp for processing into a temperature
- salinity meters used to measure water temperature and salt content
- temperature chart recorders used to record water temperature
- timing devices and controls for feeders and water flow
- underwater lights
- UV disinfection system
- washing and grading machine
- waste water management system
- water conditioning and sterilizing equipment
- water cooler
- water diversion device
- water filtration system
- water pressure valves
- water purification system
- outboard motors if used to power boats or vessels when used to harvest, maintain and cultivate
- marine life or products
- forklifts when used directly and solely in maintaining, harvesting or cultivating marine life or marine products
- service boats used solely and directly in aquaculture
- stationary or portable engines used solely and directly in aquaculture
- mower for aquatic lake and pond weeds