

Tax Information

Bulletin 5043

Bulletin: 5043 R5
Date: May 21, 2013
Subject: Fuel Tax - Exempt Purchases Made by Persons\Individuals who have status under the *Indian Act* on Reserve Lands

This Bulletin is intended for the use of persons\individuals who have status under the *Indian Act* who qualify under the Nova Scotia Indian Fuel Tax Exemption Program (NSIFTE). It provides information for persons\individuals who have status under the *Indian Act* who wish to purchase gasoline or diesel oil exempt from provincial fuel tax from **participating service stations located on a reserve**. Please note that this exemption program does **not** apply to the harmonized sales tax (HST).

The purpose of the NSIFTE is to allow a provincial fuel tax exemption to persons\individuals who have status under the *Indian Act* for purchases of gasoline and diesel oil on reserve at the time of purchase. The benefit of this program is that it will allow persons\individuals who have status under the *Indian Act* registered under the NSIFTE to use their Nova Scotia driver's licence to obtain the exemption and the retailer to process it without the burden of processing detailed paper work at the time of sale. This is possible because the retailer has a special electronic point of sale system.

What are the current rates for provincial fuel tax on gasoline and diesel oil?

Gasoline - 15.5 cents per litre
Diesel Oil - 15.4 cents per litre

Who is eligible for the Nova Scotia Indian Fuel Tax Exemption Program?

Persons\individuals who have status under the *Indian Act* and who hold a valid Nova Scotia driver's licence not under suspension may apply to join the Nova Scotia Indian Fuel Tax Exemption Program.

Persons\individuals who have status under the *Indian Act* and who do not hold a valid Nova Scotia driver's licence or persons\individuals who have status under the *Indian Act* visiting from another province may apply for a refund of provincial fuel tax on gasoline or diesel purchased from **participating service stations located on a reserve**. (See [Application Form](#))

Only invoices/receipts issued by a service station with an approved electronic point of sale system under the Nova Scotia Indian Fuel Tax Exemption Program are acceptable for refund purposes.

Incorporated entities located on or off a reserve are **not** eligible for the NSIFTEP.

How do you apply to join the Nova Scotia Indian Fuel Tax Exemption Program?

1. Applicants who belong to a Nova Scotia Band are required to submit an application to their Band Registrar along with their Nova Scotia Driver's License and their Certificate Of Indian Status Card. Application forms can be obtained from your nearest Access Nova Scotia office, at Band Council Offices, at **on-reserve service** stations, by calling Service Nova Scotia and Internal Services or on our website (See [Application Form](#)).
2. The Band Registrar is required to certify the application and forward it to Service Nova Scotia and Internal Services.
3. Upon approval, Service Nova Scotia and Internal Services will notify the applicant. After this approval, the Driver's License may be used to obtain the tax exemption.

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How do you apply if you received a Temporary Confirmation of Registration Document?

1. Applicants who receive a Temporary Confirmation of Registration Document may apply to join the Nova Scotia Indian Fuel Tax Exemption Program using their Temporary Confirmation of Registration Document issued by Indigenous Services Canada.
2. You may bring your completed application form, your valid Nova Scotia driver's licence and your Temporary Confirmation of Registration Document to:
 - Your local Access Nova Scotia office during regular business hours;
 - or**
 - You may call 902-424-6717 to arrange for an appointment with the Nova Scotia Indian Fuel Tax Administrator, Maritime Centre, 6th Floor North, 1505 Barrington Street, Halifax, Nova Scotia.
3. Your Temporary Confirmation of Registration Document must be the original with the raised seal.
4. Upon approval, Service Nova Scotia and Internal Services will notify the applicant. After this approval, the driver's licence may be used to obtain the tax exemption.

The program application requires the applicant to authorize:

- Service Nova Scotia and Internal Services to provide the information on the Nova Scotia driver's license to participating service stations who sell fuel on a reserve, for the purpose of administering exemptions from gasoline and diesel oil tax.
- Service Nova Scotia and Internal Services to provide the information on this form to the Indigenous Services Canada for the purpose of confirming the Certificate of Indian Status Card information.
- Indigenous Services Canada to release the Certificate of Indian Status Card information to Service Nova Scotia and Internal Services.
- Service Nova Scotia and Internal Services to use the Nova driver's license information for the purpose of administering exemptions from gasoline and diesel oil tax.

Use of Nova Scotia driver's licence

The Nova Scotia driver's licence will be used as proof of identity and as a mechanism for persons \individuals who have status under the *Indian Act* to acquire provincial fuel tax exempt fuel from participating service stations **located on a reserve**.

If a driver's licence has not been registered under the NSIFTEP or it has been cancelled, suspended or has expired, an exemption will not be triggered by the system. Further, a driver's licence cannot be left with a retailer for future use and a person cannot use another person's driver's licence to make an exempt purchase.

Point of sale fuel tax exemption - How to purchase provincial fuel tax exempt fuel?

Each time you wish to purchase provincial fuel tax exempt gasoline or diesel oil, you must present your driver's licence to a participating service station at the beginning of the transaction. The service station attendant will verify the picture on the licence and upon confirmation, swipe your licence or key-in your licence master number into the computer terminal. The information recorded on the licence will automatically be checked against the information stored in the computer system. Upon validation of the licence, the provincial fuel tax will be deducted from the sale.

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Monthly base amount of provincial fuel tax exempt gasoline and diesel oil

Persons\individuals who have status under the *Indian Act* registered under this program may purchase up to 400 litres (base amount) of gasoline or diesel oil per month exempt of provincial fuel tax or a combination of these products up to this quantity. In cases where persons\individuals registered under this exemption program require an increase in the monthly exemption base amount, they may submit an application to Service Nova Scotia and Internal Services. Application forms for this request can be obtained from your nearest Access Nova Scotia office, at Band Council offices, by calling Service Nova Scotia or on our website (See [Application Form](#)).

In the case of a person who has reached the base amount before the end of a particular month, the point of sale system will not provide a provincial fuel tax exemption beyond the base amount. In such a case, the person may submit a refund claim for the provincial fuel tax paid. If an increase to the base amount is required for the future, then an application may be filed as indicated above.

What if a driver's licence is rejected by the point of sale system?

If a person\individual who has status under the *Indian Act* registered under the NSIFTE presents their Nova Scotia driver's licence and the point of sale system rejects the tax exemption, Service Nova Scotia and Internal Services may be contacted at 902-424-6717 to determine the reason for the rejection.

Penalty for violations of the Nova Scotia Indian Fuel Tax Exemption Program

Persons who participate in any activities that are not permitted under the NSIFTE and the *Revenue Act* may be subject to a fine.

A person who sells gasoline or diesel oil to a vendor or a purchaser without holding a permit as required under the *Revenue Act Regulations* is liable, on summary conviction, to a fine of:

- not less than \$1,500.00 for a first offence;
 - not less than \$2,500.00 for a second offence;
 - not less than \$5,000.00 for a third offence;
- and**
- a fine equal to two times the amount of tax that should have been collected, remitted or paid as determined by the *Revenue Act*;
- or**
- to imprisonment for a term not exceeding one year;
- or**
- to both fine and imprisonment.