



Greenhouse Gas Pollution Pricing Act - Road Carriers

March 2019

The information in this presentation is provided for reference purposes only. It does not replace the related provisions of the Greenhouse Gas Pollution Pricing Act or its regulations. Should there be any discrepancy between the information in this presentation, and that contained in the Act or its regulations, the legislative provisions apply.

A large circular graphic on the left side of the slide. It consists of a central blue circle with the word "Agenda" in white text. This central circle is surrounded by a white ring, which is further surrounded by a grey ring. The entire graphic is set against a light grey background.

1

Background

2

Registration

3

Application

4

Calculation of Charge

5

Other Considerations

6

Rates

7

Forms

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1

Background

- The Federal Carbon Pollution Pricing System has been enacted through the Greenhouse Gas Pollution Pricing Act (the Act), which received Royal Assent on June 21, 2018.
- The Act is composed of 2 key pricing components:
 - Fuel charge (administered by CRA), and
 - OBPS (**administered by Environment and Climate Change Canada**).
- The proposed implementation dates and provinces and territories for the application of the fuel charge component of the Federal system are as follows: April 2019 in Manitoba, New Brunswick, Ontario and Saskatchewan, and July 2019 in Nunavut and Yukon (all listed provinces).

2

Registration

- A person is required to be registered as a road carrier in respect of a type of fuel that is a **qualifying motive fuel** if the person uses fuel of that type in a **specified commercial vehicle** in a listed province.
- This requirement does not apply if the person is, or is required to be, registered as a distributor, a specified air carrier, an air carrier, a specified marine carrier, a marine carrier, a specified rail carrier or a rail carrier, in respect of that type of fuel.

Qualifying motive fuel - gasoline, light fuel oil (diesel), marketable natural gas, or propane.

2

Registration

Specified commercial vehicle - a vehicle that satisfies the following three criteria.

1. The vehicle must be used for commercial transportation of passengers or goods by road between provinces or between a place in Canada and a place outside Canada.
2. Second, the vehicle must have 2 axels and a gross vehicle weight greater than 11 797 kg, 3 axels regardless of weight or a gross vehicle weight greater than 11 797 kg with its trailer.
3. Third, the vehicle must not be a recreational vehicle such as a motor home, pickup truck with attached camper or bus if used solely for personal use or enjoyment of a particular individual or for the personal use or enjoyment of another person at the particular individual's expense.



2

Registration

Timing of Registration

A person that is required to be registered as a road carrier in respect of a type of fuel must apply for registration before the later of April 1, 2019, for Manitoba, New Brunswick, Ontario and Saskatchewan, and July 1, 2019, for Nunavut and Yukon, and the day that the person first uses fuel in a specified commercial vehicle in a listed province.

3

Application

- A registered road carrier will generally pay the fuel charge at the pump.



- A registered road carrier will report and pay a fuel charge on fuel used within a listed province or request a rebate for fuel purchased in a listed province but used outside the listed province.

3

Application

Reporting Period

- A registered road carrier will have the following reporting periods (quarterly) each year:
 - January 1, 20XX – March 31, 20XX
 - April 1, 20XX – June 30, 20XX
 - July 1, 20XX – September 30, 20XX
 - October 1, 20XX – December 31, 20XX
- The return and payment deadline is one month after the end of the reporting period.
 - Example - If the end of the reporting period is June 30 then the filing and payment deadline is July 31.

4

Calculation of Charge

- Fuel charge amount = $A \times B$ where
 - A is the **Net Fuel Quantity**
 - B is the fuel rate applicable to the fuel type
- Before we can calculate the fuel charge amount, you need to calculate the **Net Fuel Quantity**.

4

Calculation of Charge

- Net Fuel Quantity = **A - B** where

A is the total of the following quantities:

- Quantity of fuel used in a specified commercial vehicle in a listed province during a reporting period (quarterly); and
- Quantity of fuel removed from a supply tank of a specified commercial vehicle in a listed province during a reporting period (quarterly).

B is the total quantity of fuel transferred into a supply tank of a specified commercial vehicle of the person in the listed province during a reporting period (quarterly).

4

Calculation of Charge

- If the **Net Fuel Quantity** calculated is a positive amount the registered road carrier will report and pay a fuel charge amount.
- If the **Net Fuel Quantity** calculated is a negative amount the registered road carrier is eligible for a rebate.

4

Calculation of Charge

EXAMPLE

A registered road carrier that transports goods across Canada and the United States. It picks up a trailer full of cargo in Montreal (non-listed province) and before leaving, fuels the truck with 100 litres of light fuel oil. Two hours later it delivered the trailer to a warehouse located in Ottawa (listed province). It used 70 litres of light fuel oil to get to the Ontario/Quebec border and 30 litres of light fuel oil from the Ontario/Quebec border to the warehouse location.

At the Ottawa warehouse, it picked up another trailer to be delivered to a warehouse located in Winnipeg (listed province). Before leaving the Ottawa warehouse, it refueled the truck with an additional 400 litres of light fuel oil. It used 300 litres of light fuel oil from the Ottawa warehouse to the Ontario/Manitoba border and 100 litres of light fuel oil from the Ontario/Manitoba border to the Winnipeg warehouse.

At the Winnipeg warehouse, it picked up another trailer to be delivered to a warehouse located in North Dakota, USA. Before leaving the warehouse, it refueled the truck with an additional 300 litres of light fuel oil. It used 70 litres of light fuel oil from the Winnipeg warehouse to the USA border.

What is the net fuel quantity for the registered road carrier ? What is the fuel charge amount that the registered road carrier needs to account for in 2019?

4

Calculation of Charge

EXAMPLE - Continued

The Net Fuel Quantity = A – B

Ontario	Manitoba
$A = 30 \text{ L} + 300 \text{ L} = 330 \text{ L}$ $B = 400 \text{ L}$	$A = 100 \text{ L} + 70 \text{ L} = 170 \text{ L}$ $B = 300 \text{ L}$
Net fuel quantity = -70 L ($330 \text{ L} - 400 \text{ L}$)	Net fuel quantity = -130 L ($170 \text{ L} - 300 \text{ L}$)

The Fuel Charge = A x B

Ontario	Manitoba
$A = -70 \text{ L}$ (Net fuel Quantity) $B = 0.0537 \text{ \$/L}$ (fuel rate - light fuel oil for 2019)	$A = -130 \text{ L}$ (Net fuel Quantity) $B = 0.0537 \text{ \$/L}$ (fuel rate - light fuel oil for 2019)
Fuel Charge = - \$3.76	Fuel Charge = - \$6.98

In this case, the registered road carrier is eligible for a rebate.

4

Calculation of Charge

EXAMPLE - Continued

Additional Notes:

- If the net fuel quantity for the registered road carrier was positive, it would report and remit the fuel charge to CRA on the quarterly return.
- On the quarterly return, the registered road carrier will need to account for how much light fuel oil was used in each listed province.
- The net charge (+/-) must be reported to CRA quarterly, even when the amount is nil.

5

Other Considerations

- A registered road carrier is also **required** to register as an importer if the carrier is responsible for the import (from outside Canada), or to bring into, (from another province) fuel into a listed province, **other**

than fuel that is imported in a supply tank of a vehicle or that is a quantity of gasoline, kerosene, light fuel oil or propane that **does not exceed 200 litres.**



5

Other Considerations

- A registered road carrier that is also a registered importer will be liable to report and pay a fuel charge on the bulk fuel at the time of importation. This is done through a monthly return.
- The return is now required to be filed monthly and not quarterly.
- The return will now consist of two separate schedules, that account each fuel type, for each listed province, in respect of each registration type.

5

Other Consideration

EXAMPLE

A registered road carrier that is also a registered importer transports goods across Canada and the United States. It transports 10 000 litres of gasoline from North Dakota, USA to a warehouse located in Winnipeg. It used 300 litres of light fuel oil from the USA border to the warehouse location.

What is the net fuel quantity for the registered road carrier ? What is the fuel charge that the registered road carrier needs to account for in 2019?

We need to first calculate the net fuel quantity as follows:

The Net Fuel Quantity = $A - B$

$A = 300$ litres of light fuel oil used in a listed province

$B = 0$ litres of light fuel oil transferred into a supply tank in a listed province

Therefore the net fuel quantity for the registered road carrier is 300 litres.

5

Other Consideration

EXAMPLE - Continued

Now we need to calculate the fuel charge for each registration as follows:

Road Carrier

The Fuel Charge amount = $A \times B = \mathbf{\$16.11}$

A = 300 litres - Net Fuel Quantity; B = 0.0537 \$/L fuel rate for light fuel oil for 2019

The fuel charge is \$16.11.

Importer

The Fuel Charge = $A \times B = \mathbf{\$442.00}$

A = 10 000 litres of gasoline; B = 0.0442 \$/L fuel rate for gasoline for 2019

The road carrier will need to report a fuel charge of \$16.11 for light fuel oil (road carrier schedule), and \$442.00 for gasoline (importer schedule) for Manitoba (listed province).

5

Other Consideration

• **Non-Resident Business Number**

- If you are a non-resident without an address in Canada, you will require a business number to register for purposes of the fuel charge program. Non-Residents who need to request a nine digit Canada Revenue Agency Business Number (BN9) before applying for Fuel Charge registration are required to call the BN registration telephone number and provide the following information:
 - Owner(s) name and contact number(s)
 - Physical and mailing addresses
 - Jurisdiction of incorporation
- When you call, please identify that you are requesting a BN9 for the purpose of registering for the fuel charge program.
- Contacting us
 - Our hours of operation: 8:30 a.m. – 4:30 p.m. (ET) Monday to Friday
 - Toll Free: (Canada/United States) 1-866-453-0452
 - We accept collect calls by automated response: 613-221-3039
 - Please note that you may hear a beep and experience a normal connection delay.
- Once you have been provided with a BN9, you may complete your registration for the fuel charge program, and fax in your completed L400, Fuel charge registration, and applicable schedule(s) to the attention of the Fuel Charge Program at 705-670-6234.

6

Rates

Fuel charge rates - Manitoba, New Brunswick, Ontario and Saskatchewan.

Type	Unit	April 1, 2019 and ending on March 31, 2020	April 1, 2020 and ending on March 31, 2021	April 1, 2021 and ending on March 31, 2022	After March 31, 2022
Aviation gasoline	\$/litre	0.0498	0.0747	0.0995	0.1244
Aviation turbo fuel	\$/litre	0.0516	0.0775	0.1033	0.1291
Butane	\$/litre	0.0356	0.0534	0.0712	0.0890
Ethane	\$/litre	0.0204	0.0306	0.0408	0.0509
Gas Liquids	\$/litre	0.0333	0.0499	0.0666	0.0832
Gasoline	\$/litre	0.0442	0.0663	0.0884	0.1105
Heavy fuel oil	\$/litre	0.0637	0.0956	0.1275	0.1593
Kerosene	\$/litre	0.0516	0.0775	0.1033	0.1291
Light fuel oil	\$/litre	0.0537	0.0805	0.1073	0.1341
Methanol	\$/litre	0.0220	0.0329	0.0439	0.0549
Naphtha	\$/litre	0.0451	0.0676	0.0902	0.1127
Petroleum coke	\$/litre	0.0767	0.1151	0.1535	0.1919
Pentanes plus	\$/litre	0.0356	0.0534	0.0712	0.0890
Propane	\$/litre	0.0310	0.0464	0.0619	0.0774
Coke oven gas	\$/cubic meter	0.0140	0.0210	0.0280	0.0350
Marketable natural gas	\$/cubic meter	0.0391	0.0587	0.0783	0.0979
Non-marketable natural gas	\$/cubic meter	0.0517	0.0776	0.1034	0.1293
Still gas	\$/cubic meter	0.0540	0.0810	0.1080	0.1350
Coke	\$/tonne	63.59	95.39	127.19	158.99
High heat value coal	\$/tonne	45.03	67.55	90.07	112.58
Low heat value coal	\$/tonne	35.45	53.17	70.90	88.62
Combustible Waste	\$/tonne	39.95	59.92	79.89	99.87

7

Forms - Registration

Fuel Charge Registration

under the Greenhouse Gas Pollution Pricing Act

Use this form if you have to register or you are allowed to register under the Greenhouse Gas Pollution Pricing Act. Depending on your type of registration, you may need to fill out Form L401, Fuel Charge Exemption Certificate.

For more information, go to canada.ca/ora-fuel-charge.

1. Registration

- New registration
 Amended registration (to find out which changes involve an amended registration, see page 3)

If you are filing an amended registration, enter the effective date of the change(s):

Year	Month	Day

2. Business information

Legal name:

Operating, trading, or partnership name (if different from legal name):

Business number (enter the first 9 digits of your business number):

If you are filing an amended registration, enter your fuel charge account number:

 C | T

Do you have covered facility certificate number(s) issued by the Minister of Environment and Climate Change Canada?

- No
 Yes. Enter your covered facility certificate number(s):

-
-
-
-

Business activities

If you started operating your business on or after January 1, 2019, enter the date you started:

Year	Month	Day

Physical business location

Unit No. – Street No. Street name, RR:

City:

Province/Territory/State:

Postal or ZIP code:

Country:

Telephone number:

 Extension:

Mailing address

- Same as physical business location

Unit No. – Street No. Street name, PO Box, RR:

City:

Province/Territory/State:

Postal or ZIP code:

Country:

2. Business information (continued)**Contact person**

Enter the name of a contact person for **registration purposes only** (this person will not be considered an authorized representative). A contact person does not have authority unless they are also an authorized representative or a delegated authority. If a contact person does not have authority on the business number program account, they cannot change information and the Canada Revenue Agency (CRA) cannot share information.

Last name: _____
 First name: _____
 Position or title: _____
 Telephone number: _____ Extension: _____

Records

Enter the complete address where the records are kept in Canada:

Unit No. – Street No. Street name, RR: _____
 City: _____
 Province/Territory: _____
 Postal code: _____
 Telephone number: _____ Extension: _____

Listed provinces

In respect of which listed provinces are you applying for registration?

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Manitoba | <input type="checkbox"/> Ontario |
| <input type="checkbox"/> New Brunswick | <input type="checkbox"/> Saskatchewan |
| <input type="checkbox"/> Nunavut | <input type="checkbox"/> Yukon |

Email notification

Enter your email address if you want to register to receive your CRA mail online:

By providing an email address, you are agreeing to the terms of use. For the terms of use, go to canada.ca/cra-business-email-notifications-terms.

3. Registration type

To indicate your registration type(s), the type(s) of fuel that you use, transfer, deliver, bring into, import in, or produce, and any combustible waste burned in each listed province, use Form L400-1, Fuel Charge Registration Schedule.

Notes

If you are required to register as a **road carrier**, use Form L400-2, Fuel Charge Registration Schedule – Road Carrier.

An applicant may be required to fill out more than one schedule.

4. Certification

As an authorized person, I certify that the information given on this form and any document(s) attached is correct and complete. I understand that the processing of my registration may be delayed in the case of missing or wrong information. I also understand that it is a serious offence to make a false statement.

 Name (print) Title

 Telephone number Extension Signature Year Month Day

Personal information is collected under the Greenhouse Gas Pollution Pricing Act to administer the fuel charge. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collection activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access, or request correction of, their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 224 at canada.ca/cra-info-source.

When to file an amended registration

- To add or remove fuel type(s)
- To add or remove listed province(s)

What to do once your form is completed

- Print and sign this form.
- Make a copy of this completed form for your records.
- You can file this form electronically using the "Submit documents" function in My Business Account at canada.ca/my-cra-business-account, or send your completed form to the following address:

Sudbury Tax Centre
Fuel Charge Program
Post Office Box 20000, Station A
Sudbury ON P3A 5C1

What happens after you register

- For each reporting period, you have to send a completed Form B400, Fuel Charge Return, and the applicable schedule(s) to the CRA.
- If any information you gave in your registration is wrong or not complete, you must notify the CRA immediately.

For more information, go to canada.ca/cra-fuel-charge.

Most requested services

- **My Business Account:** Use this service for online access to your accounts for GST/HST, payroll, corporation income tax, excise tax, excise duty, fuel charge, and other levies. If you are not registered for My Business Account, you can register at canada.ca/my-cra-business-account.
- **Receiving your CRA mail online:** Sign up for email notifications to get most of your CRA mail, like your notice of assessment, online. For more information, go to canada.ca/cra-business-email-notifications.
- **Represent a Client:** This service lets an authorized representative access tax information for an individual or a business, including your employer. If you want to give a representative online access to your business account(s), go to canada.ca/taxes-representatives or fill out and send Form RC59, Business Consent for Offline Access.
- **Business Registration Online:** To set up a business number, use the Business Registration Online service at canada.ca/business-registration-online, or Form RC1, Request for a Business Number and Certain Program Accounts.

CRA online services make it faster and easier to handle your company's tax matters.

2. Total net charge (continued)**Transfer option**

Tick this box if you want your rebate to be transferred to another account.

Transfer \$ _____ to the business number below on the last day of the reporting period:

Business number _____ Last day of the reporting period: _____
 Year Month Day

3. Certification

As an authorized person, I certify that the information given on this return and any document(s) attached is correct and complete. I understand that the processing of my return may be delayed in the case of missing or wrong information. I also understand that it is a serious offence to make a false statement or omission.

 Name (print) Title

 Telephone number Extension Signature Year Month Day

Personal information is collected under the Greenhouse Gas Pollution Pricing Act to administer the fuel charge. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collection activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access, or request correction of, their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 224 at canada.ca/ra-info-source.

Which schedule to fill out

If you have more than one registration type, use the appropriate schedule for each registration type.

Registration type	Fill out this schedule
Registered distributor	Form B400-1, Fuel Charge Return Schedule – Registered Distributor
Registered importer	Form B400-2, Fuel Charge Return Schedule – Registered Importer
Registered emitter	Form B400-3, Fuel Charge Return Schedule – Registered Emitter
Registered user of fuel	Form B400-4, Fuel Charge Return Schedule – Registered User of Fuel
Registered user of combustible waste	Form B400-5, Fuel Charge Return Schedule – Registered User of Combustible Waste
Registered air carrier	Form B400-6, Fuel Charge Return Schedule – Registered Air Carrier
Registered specified air carrier	Form B400-7, Fuel Charge Return Schedule – Registered Specified Air Carrier
Registered marine carrier	Form B400-8, Fuel Charge Return Schedule – Registered Marine Carrier
Registered specified marine carrier	Form B400-9, Fuel Charge Return Schedule – Registered Specified Marine Carrier
Registered rail carrier	Form B400-10, Fuel Charge Return Schedule – Registered Rail Carrier
Registered specified rail carrier	Form B400-11, Fuel Charge Return Schedule – Registered Specified Rail Carrier
Registered road carrier	Form B400-12, Fuel Charge Return Schedule – Registered Road Carrier

What to do once your form is completed

- Print and sign the form.
- Make a copy of the form for your records. Do not attach receipts or other documents to the form – **except the applicable schedule(s)**. Keep all other supporting documents in case the CRA asks to see them later.
- Send us the completed form and schedule(s) by the end of the calendar month that follows the reporting period. You also have to pay any amount owing by this date. You can file the return and the schedule(s) electronically using the "File a return" function in My Business Account at canada.ca/my-cra-business-account, or send them to the following address:

Sudbury Tax Centre
Fuel Charge Program
Post Office Box 20000, Station A
Sudbury ON P3A 5C1

If you are late submitting either a payment or a completed form, interest and/or a penalty may apply.

To get information on which payment method(s) you can use, go to canada.ca/payments.

For more information, go to canada.ca/cra-fuel-charge.

Most requested services

- **My Business Account:** Use this service for online access to your accounts for GST/HST, payroll, corporation income tax, excise tax, excise duty, fuel charge, and other levies. If you are not registered for My Business Account, you can register at canada.ca/my-cra-business-account.
- **Receiving your CRA mail online:** Sign up for email notifications to get most of your CRA mail, like your notice of assessment, online. For more information, go to canada.ca/cra-business-email-notifications.
- **Represent a Client:** This service lets an authorized representative access tax information for an individual or a business, including your employer. If you want to give a representative online access to your business account(s), go to canada.ca/taxes-representatives or fill out and send Form RC59, Business Consent for Offline Access.
- **Direct deposit:** To enrol for direct deposit or update your banking information, go to canada.ca/my-cra-business-account, or fill out and send Form RC366, Direct Deposit Request for Businesses.

CRA online services make it faster and easier to handle your company's tax matters.



Fuel Charge Return Schedule – Registered Road Carrier

under the Greenhouse Gas Pollution Pricing Act

If you are a registered road carrier, use this schedule to calculate your total charge and your total rebate for the reporting period. If you are operating in more than one listed province, use a separate schedule for each additional listed province. Report the result on Form B400, Fuel Charge Return – Registrant. For instructions on how to complete this schedule, go to canada.ca/cra-fuel-charge.

1. Business information

Legal name: _____ Business number: _____

Indicate the listed province for which you are filling out this schedule: _____ Reporting period: From _____ to _____

C T

Year Month Day Year Month Day

2. Charge calculation

Enter the net fuel quantity calculated for the reporting period. If the result of the net fuel quantity is a positive amount, add this amount to the "Net fuel quantity" in the table below. If the result of the net fuel quantity is a negative amount, add this amount to the "Rebate calculation" in the table in Part 3. To find the applicable rate, go to canada.ca/cra-fuel-charge-information.

		Litres	Litres	Litres	Cubic metres
		Light fuel oil	Gasoline	Propane	Marketable natural gas
Addition					
Net fuel quantity	A				
Rate (dollars and cents)	B ×	×	×	×	×
Charge (A × B)	C =	=	=	=	=
Total charge for that listed province ▶					
Add all charge amounts from line C.					
Enter this result under the "Charge" column in Part 2 of Form B400 for the appropriate listed province.					=

DOMESTIC CONTACTS

Atlantic Region

Excise Duties and Taxes

Post Office Box 638

Halifax NS B3J 2T5

Phone: 1-888-327-7999

Fax: 1-902-450-8559

Ontario Region

Excise Duties and Taxes

5800 Hurontario St

Mississauga ON L5R 4B4

Phone: 1-866-667-9851

Fax: 1-905-615-2814

Quebec Region

Excise Duties and Taxes

Section 492

Post Office Box 32

305 René-Lévesque Blvd W

Montreal QC H2Z 1A6

For technical enquiries related to fuel charge:

Phone: 1-833-240-2476

Prairie Region

Excise Duties and Taxes

Room 232

220 4th Avenue SE

Calgary AB T2G 0L1

Phone: 1-866-439-4202

Fax: 1-403-292-4075

Pacific Region

Excise Duties and Taxes

c/o 468 Terminal Ave 3rd floor

9755 King George Blvd

Surrey BC V3T 5E1

Phone: 1-833-532-9908

Fax: 1-604-658-8660

NON-RESIDENT (U.S.) CONTACTS

- If you reside in the U.S, please use these contact details for technical questions relating to the application of the Greenhouse Gas Pollution Pricing Act.

CRA phone line: 1-866-330-3304

E-mail: fuelcharge@cra-arc.gc.ca