
Title Fuel Tax Refunds for Bad Debt

Overview Fuel Distributors may apply for refund of previously remitted fuel tax for bad debt.

Legislation or Regulation *Fuel Oil Tax Act Section 15 and 32*
Financial Administration Act Section 13

Definitions **Distributor:** A person who imports into Yukon, manufactures, or sells fuel oil to a seller for resale

Duty of distributor: A distributor shall remit to the Minister, no later than the 25th day of each month, all tax received by that distributor in respect of the next preceding month

Bad Debt: Taxes due are uncollectible due to customer bankruptcy, receivership or insolvency, or uncollectible accounts

Requirements Fuel Distributors are required to remit monthly all fuel taxes received, however should the distributor be unable to collect taxes due to customer bankruptcy, receivership or insolvency or for uncollectible accounts a refund claim may be made.

Refunds for bad debt can not be deducted from the monthly fuel tax return.

Refunds must be applied for by submitting the following:

- a) A written request for refund
- b) Copies of all invoices for the sale of fuel in respect of which the tax credit is being claimed

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- c) Proof that the amount being claimed was remitted to the Minister
 - d) A signed statement certifying the amount of the debt
 - e) Satisfactory proof that all reasonable collection action has been taken to obtain payment of the debt, that the debt is unsecured, that the debt is uncollectible, and that the applicant has written off the debt as uncollectible in accordance with generally accepted accounting principles
 - f) A statement that should the fuel distributor subsequently recover an amount from the debtor that the portion of fuel tax related to the fuel will be remitted to the Government of Yukon

Refund applications must be submitted before December 31st of the year that is six years after the sale occurs.

**For further
information
contact:**

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The Fuel Oil Tax Act and regulations are on our website at:

<https://laws.yukon.ca/cms/>