
Title	Heating fuel sales
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Overview	<p>No tax is payable on fuel purchased for use and subsequent consumption for space heating of buildings.</p> <p>Fuel sellers may provide point-of-sale fuel tax exemptions when the fuel seller obtains and retains evidence that fuel was purchased for subsequent consumption for space heating of buildings.</p>
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Legislation	<i>Fuel Oil Tax Act, Section 4, and 10</i>
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Definitions	<p>Exempt: means no fuel tax is payable for fuel purchased and consumed for space heating of buildings as outlined under the <i>Fuel Oil Tax Act</i> (FOTA).</p> <p>Heating fuel: means untaxed diesel fuel that is purchased and consumed for space heating of buildings.</p> <p>Heating fuel tank: means a stationary fuel tank with one or more outlets solely for connection to a space heating device.</p> <p>Point-of-sale exemption: means the fuel seller does not charge the purchaser the Yukon fuel taxes.</p> <p>Seller: means a person who sells fuel oil to a purchaser.</p> <p>Tax: means the tax imposed by the <i>Fuel Oil Tax Act</i>.</p>
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Requirements	<p>Point-of-sale fuel tax exemptions</p> <p>Point-of-sale fuel tax exemptions can occur only if:</p> <ul style="list-style-type: none">• the fuel was both purchased for; and• subsequently consumed for space heating of buildings. <p>As a result, the following applies to heating fuel deliveries and pick-ups:</p>
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- **Heating fuel delivery**

If fuel is delivered to a heating fuel tank it can be sold with a point-of-sale exemption. When fuel is delivered to a heating fuel tank, it is considered that subsequent consumption for space heating of buildings will occur.

If the stationary fuel tank has one or more outlets for purposes other than directly connecting to a space heating device, the tank is not a heating fuel tank and there is no tax exemption for fuel delivered to this tank.

- **Heating fuel pick-up**

If fuel is picked up by the purchaser, the fuel seller is unable to determine whether the fuel will be subsequently consumed for space heating. For pick-up purchases, the following tax options therefore exist:

- fuel is sold fully taxable;

or

- point-of-sale fuel tax exemption occurs.

Note: if fuel that is picked up by the purchaser is sold with a point-of-sale exemption, the seller should provide documentation with their monthly return that the fuel is for subsequent consumption for space heating purposes. A copy of the fuel receipt including a signed statement by the purchaser and witnessed by the fuel distributor would be sufficient documentation. Contact Tax Administration for further details and facsimile approval.

Tax liability

The fuel seller is responsible for taxes on heating fuel sales.

Responsibility can only be passed to the purchaser when the following conditions are met.

- **Heating fuel delivery:** fuel is delivered to a heating fuel tank.
- **Heating fuel pick-up:** the fuel seller obtains a signed statement confirming that fuel is for subsequent consumption for heating purposes. With a signed statement the purchaser assumes responsibility for paying the taxes.

Should the purchaser use the fuel for purposes other than space heating of buildings, the exemption or refund is null

and void and the purchaser must pay the taxes owing. If the fuel is used for a different exempt purpose, the purchaser must obtain written confirmation of exemption from the Tax Administration Branch before the taxes can be exempted.

An individual or business, that uses this tax-exempted heating fuel for a purpose other than the space heating of buildings, is responsible for paying the taxes under the *Fuel Oil Tax Act*.

Refunds

If the fuel taxes are charged on a fuel purchase and the purchaser subsequently consumes the fuel for space heating of buildings, the purchaser can apply directly to the Tax Administration Branch for a refund of the fuel taxes paid immediately after the fuel is purchased.

Further information

Contact: Department of Finance, Tax Administration Branch

Email: yk.taxreturns@gov.yk.ca

Mail: Government of Yukon
Department of Finance (B-1)
Box 2703
Whitehorse, Yukon Y1A 2C6

In person: Government of Yukon
Main Administration Building
2071 Second Avenue
Whitehorse, Yukon Y1A 1B2

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