



Guide to Farm Fuel in Ontario

This bulletin was revised June 2008 to incorporate formatting changes and changes in ministry name and contact information only.

- The Client Accounts and Services Branch administers tax programs under the *Gasoline Tax Act* and the *Fuel Tax Act*.
- This bulletin replaces a previous Guide Note issued in 1987: Guide to Farm Fuel Tax in Ontario and explains the application of taxes to different types of fuel used by farmers.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Fuel Tax Act* and *Gasoline Tax Act* and its regulations.

Coloured Fuel

In 1982, the Ontario government introduced coloured fuel for non-taxable use. This enables farmers to purchase coloured fuel tax-free for use in their unlicensed farm equipment and provides a means for detecting misuse of coloured fuel for unauthorized purposes. The dye used to colour the fuel is supplied to dyers designated by the Ministry of Finance.

Note: It is an offence to place or use coloured fuel in the fuel tank of a licensed vehicle.

Clear Fuel

Fuel tax must be paid on all clear fuel at the time of purchase.

Clear fuel purchased after September 30, 1993, for any non-taxable use including use in unlicensed equipment for farm operations is not eligible for refund.

Clear fuel may be sold tax-exempt to tobacco farmers holding a valid Fuel Acquisition Permit (FAP) for the purpose of curing leaf tobacco.

Gasoline

Gasoline tax must be paid at the time of purchase.

A refund of the tax paid may be claimed when the gasoline is used in Ontario by any farmer in unlicensed equipment operated for a farming purpose.

Note: Gasoline used in licensed vehicles does not qualify for a tax refund.

How to File for a Refund

The Application for Refund of Gasoline Tax-GT257 form must be used to apply for a refund claim, and must be filed within four years from the date the tax was paid. Any portion of a claim filed after this time period will be disallowed. Receipted invoices for the purchase must be submitted in support of the refund application. Invoices will not be returned unless requested by the applicant at the time of filing.

Records supporting a refund claim must be retained by the claimant for seven years for audit purposes.

Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

Ministry of Revenue
Client Accounts and Services Branch
33 King Street West
Oshawa, ON L1H 8H9

Tel.: 1 866 ONT-TAXS (1 866 668-8297)
Fax: 905 436-4511
Teletypewriter (TTY): 1 800 263-7776

This bulletin and various other English and French tax materials published by the Ministry of Revenue may be obtained online at ontario.ca/revenue.

The *Fuel Tax Act* and *Gasoline Tax Act* and Ontario's other public statutes and regulations may be obtained online at www.e-laws.gov.on.ca.

Ce bulletin est disponible en français.

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