



## Requirements for Collectors Making Bulk Sales of Fuel and Gasoline for Immediate and Direct Export to the United States

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

- This bulletin explains the reporting, remitting and record-keeping requirements of Ministry of Revenue-designated fuel and gasoline tax collectors with respect to bulk sales of fuel and gasoline (both referred to as “fuel”) intended for immediate and direct export to the United States.
- 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.

### Background

Pursuant to provisions contained in both the *Fuel Tax Act* and the *Gasoline Tax Act* (“Acts”), certain fuel wholesale dealers may be designated by the Minister of Revenue (“Minister”) as collectors of Ontario fuel taxes.

Designated collectors must, as agents of the Minister, collect fuel taxes from every person to whom the collector sells or delivers fuel in Ontario and remit the taxes, in addition to the tax in respect of any fuel it used or consumed, directly to the Minister.

As an exception, designated collectors are authorized under the Acts to sell or deliver fuel to another designated collector, who is not a consumer in respect of the fuel, without collecting any fuel taxes.

The Acts **do not** authorize collectors to sell untaxed fuel to fuel exporters who are not designated collectors. However, it has been the practice of the Ministry of Revenue to allow collectors to make bulk sales of untaxed fuel to registered exporters who intend to export the fuel immediately and directly to the United States, provided that certain conditions are met.

### Conditions

In order to sell untaxed fuel in bulk to a person who intends to export the fuel immediately and directly to the United States, the designated collector making the sale must ensure that the following conditions are met:

- the designated collector is registered with the Ministry of Revenue as an exporter;
- the designated collector reports all such sales as exports on its monthly return;
- the actual exporter of the fuel holds a valid exporter’s certificate or registration issued by the ministry;
- an invoice containing all of the information required by the Minister is delivered to the exporter at the time of sale;

- all export documents required by the Minister are obtained by the collector, stored at the collector's Ontario business location or at another location approved by the Minister, along with copies of the related purchase and sales invoices, and made available for audit examination upon request by a person authorized by the Minister to make such a request;
- the designated collector assumes responsibility for the tax in respect of the bulk fuel sales until all of the invoice and document requirements have been met and the Minister is satisfied that the fuel has, in fact, been exported from Ontario; and
- the person to whom the exporter sells the fuel is a not a Canadian resident.

## Invoice Requirements

Every invoice issued by a collector to an exporter in respect of a bulk fuel sale intended for immediate and direct export to the United States shall show the following:

- the names and addresses of the collector and the exporter;
- the collector's registration or account number;
- the exporter's certificate or registration number (registration as an interjurisdictional transporter is not sufficient);
- the selling price per litre of the fuel;
- the amount of fuel tax charged, or a statement indicating that Ontario fuel taxes have not been charged;
- the quantity of fuel sold;
- the date of the fuel sale and delivery; and
- the location where title to the fuel changed from the collector to the fuel exporter.

## Export Documentation

Designated collectors are responsible for obtaining and maintaining the following documentation with respect to the export, in addition to any other evidence deemed necessary by the Minister, to prove delivery of the product to a location outside Ontario:

- invoices issued by the collector for export sales (invoices must include a statement to the effect that Ontario fuel taxes have not been charged; otherwise, the taxes must be explicitly identified);
- a copy of the United States Customs Proforma Invoice prepared by a Canadian customs broker and stamped by the United States Customs Service;
- United States Customs Document Form 7533 or its equivalent as approved by the Minister;
- all petroleum loading tickets and survey reports;

- a copy of a properly completed straight bill of lading; and
- all export sales invoices issued by the exporter.

## Returns

Designated collectors are required to report all bulk fuel sales for immediate and direct export to the United States to the Ministry of Revenue as exports, on a monthly basis, using the form(s) approved by the Minister.

Registered exporter's are required to report all exports, including direct exports to the United States, to the Ministry of Revenue, on a monthly basis, using the form(s) approved by the Minister.

## Record-Keeping Requirements

Every collector is responsible for retaining all of the aforementioned documents and invoices at their Ontario business location, or at a location approved by the Minister, for the purposes of inspection or audit by a person authorized by the Ministry of Revenue to conduct such an inspection or audit.

Records, invoices, books of account or other documents that relate to untaxed sales to exporters must be retained by the collector making the sale until a period of seven years has expired since the end of the calendar year to which the records, invoices, books of account or other documents relate.

## Liability for Tax

Failure to meet any of the conditions or requirements as set out in the Acts or regulations or in this tax bulletin may result in the collector being held liable for the tax otherwise collectible and payable to Ontario on its untaxed sales to exporters.

## 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](http://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](http://www.e-laws.gov.on.ca).

*Ce bulletin est disponible en français.*

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