

PENALTIES FOR IMPROPER USE

Anyone committing an offence relating to the improper use of coloured fuel/dyed diesel in Ontario is liable to a fine on first offence of \$440.

Fines of up to \$1,000,000 and/or imprisonment for up to two years are possible for other offences under the *Fuel Tax Act*, such as tampering with coloured fuel or seals and labels.

Offenders will also be audited and may be assessed tax, penalties and interest. Assessed penalties for the improper use of dyed diesel or tampering with coloured fuel may be as severe as 13 times the tax. **Keep all your fuel receipts.**

MUST I ALLOW A FUEL INSPECTION?

Provincial Fuel Tax Inspectors are authorized to examine the fuel used in licensed motor vehicles, and to stop and detain vehicles for this purpose. Any person who refuses to allow an inspection may be fined up to \$1,000 for each refusal.



Fuel inspection

TAKE PRECAUTIONS

KNOW YOUR SUPPLIER

Drastically discounted prices or rebates that do not appear credible may be an indication of tax evasion.

KEEP YOUR RECEIPTS

The Minister may audit any purchaser of fuel and assess for any tax, penalty and interest found to be owing. It is up to you to prove you paid tax on all your purchases by obtaining and keeping receipts that identify the product, quantity and price, and indicate where, when and from whom it was purchased. Receipts for bulk fuel purchases must also include the purchaser's name and address and the amount of fuel tax paid. Receipts and other records must be kept for 7 years.

VOLUNTARY DISCLOSURE

The Ministry of Revenue will allow you to voluntarily disclose your tax situation and not be prosecuted for tax violations, under certain conditions. For information, request the ministry's Tax Information Bulletin titled Voluntary Disclosure or click on "voluntary compliance" at the website below.

WHO TO CONTACT

For further information, to report accidental contamination, or to make a voluntary disclosure, please contact:

Audit and Inspection
Tax Compliance Branch
Ministry of Revenue

Telephone: 1 866 ONT-TAXS (1 866 668-8297)

ontario.ca/revenue

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ATTENTION TRUCKERS



NO DYED DIESEL ON THE HIGHWAY



Ministry of Revenue

PROHIBITED USE

Dyed diesel must not be used to fuel a licensed motor vehicle, even if the motor vehicle is operated primarily in connection with the business of farming, construction, forestry or mining.

In Ontario, dyed diesel is called coloured fuel.

WHAT IS COLOURED FUEL?

Coloured fuel is diesel or similar fuel that has been dyed red for tax free use in Ontario or another province or U.S. state.

Coloured fuel helps to prevent tax evasion by identifying fuel on which Ontario fuel tax has not been paid.

The use of coloured fuel in a licensed motor vehicle is prohibited!

HOW CAN IT BE USED?

Coloured fuel may be used for non-taxable purposes such as home heating or in unlicensed construction or farm equipment. Coloured fuel may also be used to power auxiliary equipment such as refrigeration units from a fuel tank that does not power the motor vehicle.

ONTARIO'S FUEL TAX

The revenue from Ontario's fuel tax helps to fund health care, education, transportation projects and other government programs. Tax evasion hurts us all. Honest businesses are put at a competitive disadvantage by those that don't pay their share of fuel tax.

WHAT TO LOOK FOR

You are responsible for the proper fueling of your vehicle. Any presence of red dye in the fuel disqualifies that product from use in a licensed motor vehicle.



Diesel pick-up truck

Mixing coloured fuel with clear fuel will not produce a larger volume of usable product. Instead, it will make the entire quantity unsuitable for use in a licensed motor vehicle, leaving the operator subject to the penalties specified in the *Fuel Tax Act*.

PUMP LABELS

The Ministry of Revenue issues labels and tags for display on any tank for storing, or pump that dispenses, coloured fuel/dyed diesel. Such tanks and pumps should never be used to fuel a licensed vehicle.

COMMON QUESTIONS

- Q.** Under what circumstances can coloured fuel be used to power refrigeration units or other auxiliary equipment?
- A.** Coloured fuel may only be used for these purposes if it is stored in a separate tank that is not connected with the tank containing fuel to power the motor vehicle.
- Q.** What if the fuel used to power the auxiliary equipment/reefer unit **does** come from the same tank used to power the motor vehicle?
- A.** You may be eligible to claim a tax refund on clear fuel used for this purpose, as long as the fuel comes from the same tank used to power the motor vehicle. For further information, please refer to [Ontario Tax Bulletin FT/GT 4-2000](#).
- Q.** What if I become aware of someone selling coloured fuel for use in a licensed motor vehicle?
- A.** Report any information you may have to the Ministry of Revenue at the number indicated at the back of this pamphlet.
- Q.** What if I find coloured fuel in my vehicle?
- A.** If you discover coloured fuel in your vehicle, immediately notify the Ministry of Revenue at the number listed on the back of this pamphlet. You may also wish to contact the person or business that supplied the fuel, to have your fuel tank(s) drained and the fuel replaced. The coloured fuel should be drained immediately or you may be subject to penalties. Be sure to dispose of the fuel in accordance with all applicable environmental laws.