

Budget Measures Act, 2005 (No.2)
Technical Amendments to
Motor Fuels, Tobacco and Land Taxes Statutes

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

The *Budget Measures Act, 2005 (No.2)* (c.31, S.O. 2005) which received Royal Assent on December 15, 2005 includes technical amendments to the *Fuel Tax Act*, *Gasoline Tax Act*, *Land Transfer Tax Act*, *Tobacco Tax Act* and the *Electricity Act, 1998* as it relates to the gross revenue charge. These technical amendments will improve administrative effectiveness, maintain the integrity and equity of the tax system and enhance legislative clarity.

This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Fuel Tax Act* (FTA), *Gasoline Tax Act* (GTA), *Land Transfer Tax Act* (LTTA), *Tobacco Tax Act* (TTA) *Electricity Act, 1998* (EA) and its regulations.

Fuel Tax Act, Gasoline Tax Act, Land Transfer Tax Act and Tobacco Tax Act

Taxpayer Waiver Provisions These four statutes were amended effective December 16, 2004 to authorize the minister to assess or reassess a person after the expiry of the time limit for issuing an assessment if, before the expiry, the person has filed a waiver in a form approved by the minister.

The new amendments outlined in this bulletin permit the minister to assess or reassess a person after the time limit if, before December 16, 2004, the person provided the minister with a written waiver of the time limit.

Fuel Tax Act and Gasoline Tax Act

Suspension or Cancellation The changes to the FTA and GTA amend and expand the grounds on which a suspension or cancellation of a designation, permit or registration may be made, to parallel grounds on which the minister may refuse to designate or register a person under these statutes.

Refunds of Tax for Fuel or Gasoline Used to Power Auxiliary Equipment The FTA permits a refund of tax in respect of the amount of fuel used to power auxiliary equipment attached to a motor vehicle. The amendments clarify that no refunds may be made if the auxiliary equipment use is personal.

The amendments to the FTA and the GTA support the minister's use of fuel and gasoline consumption-rating systems in calculating the amount of tax to be refunded.

Fuel Tax Act**Changes to the Charging Provision**

Previously, the FTA imposed a tax on clear fuel used by a purchaser to generate power in a motor vehicle other than certain railway equipment. The amendments include the removal of the reference to the generation of power in a motor vehicle, to clarify the application of tax on clear fuel.

These changes reinforce that coloured fuel is to be used for non-taxable applications. These amendments are effective November 2, 2001.

Electricity Act, 1998

The amendment to the EA ensures that tax payable under section 92.1 of the act by the owner of a hydro-electric generating station located in unorganized territory without a school board is paid to the province and not to the Financial Corporation. This amendment is effective January 1, 2001.

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