

# CARBON LEVY NOTICE

CLN:105

February 2019

## NOTICE to HOLDERS of LEVY EXEMPTION PERMITS

This notice is to inform all holders of a Levy Exemption Permit of their responsibilities under the *Climate Leadership Act* and Regulations effective April 1, 2019.

### Evidence of eligibility:

To purchase marked fuel exempt of the carbon levy, the holder of a Levy Exemption Permit must submit to the vendor a valid levy exempt permit or confirmation from the Provincial Tax Commissioner that the purchaser holds a valid levy exemption.

### Record Keeping Requirements:

A purchaser who purchases marked fuel shall keep records in the form approved by the Commissioner of the following information:

- (a) the total amount of marked fuel purchased;
- (b) the equipment fueled by the marked fuel;
- (c) the use of the equipment fueled by the marked fuel;
- (d) information that substantiates the use of marked fuel in that equipment;
- (e) the amount of clear fuel purchased in the period.

### Duty to notify:

The holder of a levy exemption permit shall immediately notify the Commissioner if

- (a) the holder ceases to conduct activities that qualified the holder for the permit;
- (b) the holder is the subject of proceedings relating to bankruptcy, insolvency or receivership;
- (c) the holder, where the holder is a corporation,
  - (i) amalgamates with another corporation,
  - (ii) is wound up, liquidated or dissolved, or
  - (iii) is the subject of proceedings under the *Companies' Creditors Arrangement Act* (Canada);
- (d) the holder is a partner in a partnership and there is a change in the partners of the partnership; or
- (e) the holder is the operator of a joint venture and there is a change in the participants in the joint venture.

### Permit issuance fee:

The fee for the issuance of a levy exemption permit is \$10 and shall be paid to the Minister of Finance before a levy exemption permit is approved.

### Conditions or restrictions:

The Minister of Finance may attach conditions or restrictions to any levy exemption permit.

### Compliance required:

No person who is the holder of a levy exemption permit shall fail to comply with the conditions attached to or fail to observe the restrictions contained in the permit.

### Prohibition:

No person who has been issued a levy exemption permit shall permit another person to use the levy exemption permit.

No person shall use a levy exemption permit issued in the name of another person.

**Expiry:**

A levy exemption permit expires on the earliest of

- (a) the expiry date shown on the permit;
- (b) the date the person to whom the permit was issued ceases to be entitled to purchase fuel exempt from the levy;
- (c) where the permit holder is a corporation, the date the permit holder
  - (i) amalgamates with another corporation,
  - (ii) is wound up, liquidated or dissolved, or
  - (iii) is the subject of any proceedings under the Companies' Creditors Arrangement Act (Canada);
- (d) where the permit holder is a partner in a partnership, the date there is a change in the partners of the partnership;
- (e) where the permit holder is a member of a joint venture, the date there is a change in the operator of a joint venture; and
- (f) the date the permit is cancelled by the Commissioner.

**Suspension, cancellation:**

The Commissioner may suspend or cancel a levy exemption permit

- (a) if the Commissioner determines that the holder of the permit has failed to comply with the conditions or failed to observe the restrictions attached to the permit by the Minister;
- (b) if the Commissioner determines that the holder of the permit is no longer eligible for the exemption from paying the levy on fuel;
- (c) if the Commissioner determines that information provided to the Commissioner by the holder of the permit is false or misleading;
- (d) if the permit has been lost, stolen, destroyed or is unusable;
- (e) if the Commissioner believes that the permit has been sold to, or is in the possession of or being used by, a person other than the person to whom it was issued;
- (f) if the Commissioner determines that the holder of the permit has been convicted of a contravention of the *Climate Leadership Act* or the regulations or any other enactment that provides for the imposition of a tax or levy on fuel; or
- (g) if the Commissioner considers it appropriate to suspend or cancel the permit in the circumstances.

**Period of suspension:**

If the Commissioner has suspended a levy exemption permit for a conviction of a contravention of the Act or the regulations or an enactment that provides for the imposition of a tax or levy, the period of suspension shall be for a period of 60 days for the first conviction, six months for the second conviction and one year for any subsequent conviction.

**Reinstatement:**

The Commissioner may reinstate a levy exemption permit if the Commissioner is satisfied by evidence provided by the permit holder that the holder is now in compliance with all conditions and restrictions that apply to the permit.

**Notice of suspension, cancellation, reinstatement:**

If the Commissioner has suspended or cancelled a levy exemption permit or reinstated a levy exemption permit, the Commissioner shall notify the holder of the permit and all agents of that fact.

**Further information can be obtained by contacting:**

Taxation and Property Records Division  
P O Box 1330, Charlottetown, PE C1A 7N1  
Telephone: 1-833-220-1363 or 902-368-4070; Fax: 902-368-6584  
Email: [carbonpricinginquiries@gov.pe.ca](mailto:carbonpricinginquiries@gov.pe.ca) or [taxandland@gov.pe.ca](mailto:taxandland@gov.pe.ca)  
Web site: [www.princeedwardisland.ca](http://www.princeedwardisland.ca)

This notice is prepared for information purposes only, and should not be considered a substitute for the statutes. Should there be any conflict between the contents of this notice and the statutes, the statutes shall prevail.