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February 2019

## NOTICE TO IFTA CARRIERS

On April 1, 2019, the *Climate Leadership Act* comes into effect in Prince Edward Island.

The *Climate Leadership Act* requires that the PEI carbon levy payable by an interjurisdictional road carrier be administered, enforced and adjusted under provisions of the International Fuel Tax Agreement as provided for by the *Gasoline Tax Act*.

### Legislative Reference

Effective April 1, 2019, the *Gasoline Tax Act* is amended to include the following:

#### ***Administration and enforcement of levy***

*Subject to the regulations under the Climate Leadership Act R.S.P.E.I. 1988, Cap. C-9.1, the levy payable by an interjurisdictional road carrier under the Climate Leadership Act shall be administered and enforced in accordance with this Act and the regulations as if the levy were a tax imposed under this Act.*

#### ***Adjustment of levy***

*Subject to the regulations under the Climate Leadership Act, any levy paid by an interjurisdictional road carrier under the Climate Leadership Act shall be adjusted by the Commissioner in accordance with the terms and conditions of the International Fuel Tax Agreement and any resolutions made pursuant to that Agreement.*

### Impacts

The introduction of federally mandated climate change plans across Canada may impact the administration of fuel tax for IFTA carriers. IFTA carriers should note the following effective April 1, 2019:

#### Prince Edward Island Carbon Levy

- The provincial tax rate on fuel reported to IFTA under the *Gasoline Tax Act* will be adjusted to include both gasoline tax and the new carbon levy.
- The **PEI carbon levy** will be administered under the International Fuel Tax Agreement.
- The **PEI carbon levy** will be administered using the existing IFTA report.
- There are no new remittance or reporting requirements for payment of the **PEI carbon levy** for IFTA carriers.

#### Other Jurisdictions – Carbon Levy or Tax

- British Columbia and Alberta have previously implemented a carbon tax or levy administered under provisions of the International Fuel Tax Agreement. IFTA carriers who travel in British Columbia or Alberta should confirm with these jurisdictions that there are no new fuel tax remittance or reporting requirements.

- Certain provincial jurisdictions are implementing federally sanctioned climate change cap and trade systems. As a result, these jurisdictions would not be implementing a new carbon tax or levy. IFTA carriers who travel in jurisdictions implementing federally sanctioned climate change cap and trade should confirm with these jurisdictions that there are no new fuel tax remittance or reporting requirements.
- Certain provincial jurisdictions are implementing a new provincially administered carbon tax or levy. IFTA carriers who travel in these jurisdictions should confirm that these jurisdictions are using provisions of the International Fuel Tax Agreement for administration of the new tax or levy and that there are no new fuel tax reporting requirements.
- In certain jurisdictions a new federal fuel charge is being implemented and administered by the Canada Revenue Agency (CRA) on behalf of the respective provincial jurisdictions. There may be new remittance and reporting requirements for IFTA carriers in these cases. Information on these requirements can be found on the CRA website at <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/fcn1/general-information-registration-greenhouse-gas-pollution-pricing-act.html> or by calling 1-800-959-8281.

General information on the federally mandated climate change plans for each Canadian jurisdiction can be found <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html> .

**Further information on PEI's *Climate Leadership Act* can be obtained by contacting:**

Taxation and Property Records Division  
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Telephone: 1-833-220-1363 or 902-368-4070; Fax: 902-368-6584  
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or [taxandland@gov.pe.ca](mailto:taxandland@gov.pe.ca)  
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