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 Taxation and
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CARBON LEVY

NOTICE

CLN:103
 GTN:295

February 2019

NOTICE TO FUEL VENDORS SELLING MARKED GASOLINE AND/OR MARKED DIESEL

This notice is to inform all vendors of marked gasoline and marked diesel of the steps our department is taking to accommodate the transition in the department's policy to allow for the exemption from carbon levy by holders of valid marked fuel permits who are also exempt under the carbon levy.

This levy exemption applies to **marked gasoline and marked diesel only**.

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

Under the *Climate Leadership Act*, there will be a "Levy Exemption Permit" issued to fishers, aquaculturists, farmers and custom agricultural contractors. These levy exemption permits will be issued as a **combined permit** with the "Marked Gasoline / Marked Diesel Oil Permit".

The numbering system for this new combined permit for fishers, aquaculturists, and farmers is the same numbering system as the current system. The Marked Gasoline / Marked Diesel (Oil) Permits issued to fishers, aquaculturists and farmers are **six digit numbers** beginning with the number "1" for **fishers**, the number "2" for **aquaculturists**, the number "3" for **farmers**.

The combined permit number for **custom agricultural contractor operations** will be a new number series beginning with "81".

The permit number for **pleasure craft** will be a new number series beginning with "9". This permit allows pleasure craft operators to purchase marked gasoline and marked diesel (oil) without paying the gasoline tax or the carbon levy at the time of purchase. The holder of the **pleasure craft** permit must self assess and pay the tax and the levy to the Minister of Finance, as authorized by the Provincial Tax Commissioner, as if the fuel was not marked fuel.

Please be aware that holders of Marked Gasoline and Marked Diesel Oil Permits beginning with the number 4, although eligible to purchase marked fuel exempt of the gasoline tax, are NOT eligible for an exemption of the carbon levy under the *Climate Leadership Act*.

PRINCE EDWARD ISLAND

In March 2019, all fishers, farmers, aquaculturists, and custom agricultural contractors who hold a valid marked fuel permit will be sent a new **combined permit** replacing their present marked fuel permit. These operations will be instructed to present the new **combined permit** to their fuel supplier.

Effective March 15, 2019, our office will no longer issue a marked fuel “only” permit to fishers, farmers, aquaculturists, and custom agricultural contractors unless these operations indicate they do not wish to hold a Levy Exemption Permit.

In March 2019, our department will send to each agent a list of marked fuel permit numbers that expired January 31, 2019 and have not been renewed.

Our department will continue to renew permits after the list of expired permits has been distributed. To ensure that no sales are made to purchasers whose permits have expired, it is the responsibility of the agent to ensure that all permits used for the purchase of marked fuel are valid permits and it is the responsibility of the exempt operation to provide the renewed permit to their fuel supplier.

Please ensure that all staff dealing with the sale of marked fuel are familiar with CLN:104 / GTN:296 – “Notice to Fuel Vendors - Numbering System – Exemption Permits”.

Effective April 1, 2019, the carbon levy on marked gasoline and marked diesel is \$0.01 per litre. The carbon levy will increase to \$0.02 per litre effective April 1, 2020.

Further information can be obtained by contacting:

Taxation and Property Records Division
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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.