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CARBON LEVY

NOTICE

CLN:131

JUNE 2023

PETROLEUM RETAILERS REFUND OF CARBON LEVY INVENTORY ON-HAND

Introduction:

Prince Edward Island Refund on Carbon Levy Paid Inventory:

The purpose of this notice is to inform petroleum retailers and wholesalers of changes to the PEI carbon levy that will take effect on July 1, 2023. On that date, the federal government will be imposing the federal backstop on greenhouse gas emissions in Prince Edward Island. In response, collection of the PEI provincial carbon levy will cease effective July 1, 2023 (Bill #5) and petroleum retailers and wholesalers who have carbon levy paid inventory on-hand on July 1, 2023 can apply for a refund of the carbon levy paid.

Provincial Carbon Levy Rates (per Litre)

Fuel Product	Prior to July 1, 2023	Effective July 1, 2023
Clear Gasoline	11.05 cents	0.00 cents
Clear Diesel Oil	13.41 cents	0.00 cents
Marked Gasoline	6.42 cents	0.00 cents
Marked Diesel Oil	7.36 cents	0.00 cents
Kerosene	12.91 cents	0.00 cents
Light Fuel Oil	13.41 cents	0.00 cents
Heavy Fuel Oil	15.93 cents	0.00 cents
Aviation Gasoline	12.44 cents	0.00 cents
Aviation Turbo Fuel / Jet Fuel	12.91 cents	0.00 cents

Adjustment Day Responsibilities on the Federal Fuel Charge (July 1, 2023):

Please be aware that while you may be getting a refund of the PEI carbon levy on July 1, 2023, you may also be responsible for and Adjustment Day remittance to the federal government. We have included information from the federal government in this mail out on your potential federal responsibilities. If there are any questions on the Adjustment Day requirements, you should call the federal government at 1-866-330-3304.

PRINCE EDWARD ISLAND

Additional Details for the PEI Refund on Carbon Levy Paid Inventory:

Petroleum retailers will be able to request a refund on their carbon levy paid on-hand inventory at the close of business on June 30, 2023. The amount of the refund will be based on the PEI carbon levy rates prior to July 1, 2023 as shown in the table above.

- A retailer's carbon levy-paid inventory on-hand at the time of the implementation of the federal backstop includes all such inventory in the retailer's possession at the close of business on June 30, 2023.
- A "Retailer's Carbon Levy Refund" form will be provided to petroleum retailers. The form is also available on the government website (www.princeedwardisland.pe.ca).
- The "Retailer's Carbon Levy Refund" form must be filed by July 31, 2023.
- All carbon levy refunds will be issued by electronic funds transfer. Refund applicants should also include a "Payee Registration Form" if they are not already set up for electronic funds transfer from the provincial government. This form is available through the government website at www.princeedwardisland.ca.
- The Department may perform random audits of petroleum retailers to ensure the accuracy of the volumes of levy-paid inventory reported as of the close of business on June 30, 2023.
- The Department may review wholesaler sales records for a period before and after the carbon levy repeal to ensure compliance with the legislation.

Further information can be obtained by contacting:

Taxation and Property Records Division
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Email: taxandland@gov.pe.ca Web site: 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.