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GASOLINE TAX

NOTICE

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June 2023

IFTA RATE CHANGES – Federal Fuel Charge

On July 1, 2023, the federal government will impose the federal backstop (fuel charge) on PEI in relation to carbon pricing on petroleum fuels. As a result, the PEI carbon levy will no longer be collected starting July 1, 2023. This will affect the IFTA tax rate for PEI beginning with the Q3-2023 returns as the PEI tax rate will no longer incorporate the PEI carbon levy. You will not see any change to the tax rate on the attached Q2-2023 return as it covers the period from April 1, 2023 to June 30, 2023.

IFTA carriers who are not already registered with the federal government for the federal fuel charge may be required to register for July 1, 2023. IFTA carriers can call 1-866-330-3304 for more information. IFTA carriers can go to www.canada.ca and search for the term “Fuel Charge Registration”. An information page for Road Carriers from the federal government is attached that provides additional details on the federal requirements for Road Carriers.

CHANGES TO THE PEI IFTA RETURN

Changes have been made to the PEI IFTA return to make it easier to account for potential tax holidays in the future. A new column (#6) has been added (Total Litres Purchased). In the vast majority of cases, the Total Litres Purchased will be the same as the Tax Paid Litres Purchased. However, if a jurisdiction in the future introduces a tax-free period on their fuel, IFTA carriers will be able to account for this situation directly on the jurisdiction’s row without the need to move kilometers and litres to the OTHER jurisdictional line.

For example, if our jurisdiction implemented a tax free period for one month in a quarter and an IFTA carrier travelled 1000 kilometers and bought 400 litres of fuel during this tax free month, and then travelled 2000 kilometers and bought 600 litres in the other two months of the quarter, the IFTA carrier would fill out the PE jurisdiction line as shown below.

1	2	3	4	5	6	7	8	9	10	11
Jurisdiction	Tax Rate	Total Kms	Total Taxable Kms	Taxable Litres	Total Litres Purchased	Tax Paid Litres Purchased	Net Taxable Litres	Tax Due	Interest Due	Total Due
PE	0.2756	3000	2000		1000	600				

In a typical quarter without any tax holidays, the values in column 3 and 4 would be the same, and the values in column 6 and 7 would be the same.

1	2	3	4	5	6	7	8	9	10	11
Jurisdiction	Tax Rate	Total Kms	Total Taxable Kms	Taxable Litres	Total Litres Purchased	Tax Paid Litres Purchased	Net Taxable Litres	Tax Due	Interest Due	Total Due
PE	0.2756	3000	3000		1000	1000				

The tax due calculations will still be determined based on the tax paid litres.

PRINCE EDWARD ISLAND

If you have any questions about the new return, please contact our office using the contact information given below.

Further information can be obtained by contacting:

Taxation and Property Records Division
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