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THE FUEL TAX ACT, 2000

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READER SURVEY

INFORMATION FOR BORDER FUEL DEALERS AND FUEL TAX COLLECTORS REGARDING THE GASOLINE COMPETITION ASSISTANCE PROGRAM

This bulletin provides information on reporting and filing for assistance under the Gasoline Competition Assistance Program. It is a general guide and not a substitute for the legislation.

The changes to this bulletin are indicated by a (I) in the left margin.

The Gasoline Competition Assistance Program provides assistance on taxable gasoline and propane sales made by fuel dealers located along the Alberta border and in Flin Flon, Creighton and Denare Beach. No assistance is provided for diesel or aviation fuel. Also, no competition assistance is provided for gasoline and propane that may be sold to Fuel Tax Exemption Permit holders.

The level of assistance is based on the tax rate differential between Saskatchewan and Alberta or Manitoba, as the case may be, and the shortest distance as measured by a public road between the fuel dealer and the nearest competition in the neighbouring province. There are five zones in which assistance is provided:

Location of Fuel Dealer	Level of Assistance	Fuel Type	Amount (¢/l)	
			Prior to Jan 1/17	Effective Jan 1/17
Zone A: <i>Lloydminster Onion Lake</i>	100% of the tax differential with Alberta	Gasoline Propane	2.0¢ n/a	n/a n/a
Zone B: <i>Up to 24 km from the nearest Alberta competition</i>	50% of the tax differential with Alberta	Gasoline Propane	1.0¢ n/a	n/a n/a
Zone C: <i>>24 km to 56 km from the nearest Alberta competition</i>	25% of the tax differential with Alberta	Gasoline Propane	0.5¢ n/a	n/a n/a
Zone D: <i>Flin Flon Creighton</i>	100% of the tax differential with Manitoba	Gasoline Propane	1.0¢ 6.0¢	1.0¢ 6.0¢
Zone E: <i>Denare Beach</i>	50% of the tax differential with Manitoba	Gasoline Propane	0.5¢ 3.0¢	0.5¢ 3.0¢

GASOLINE COMPETITION ASSISTANCE FOR CARD LOCK, KEY LOCK OR BULK PURCHASES

The assistance on fuel delivered by bulk fuel dealers is based on the assistance level that applies to the zone where the fuel is delivered and stored.

For gasoline that is picked up at a cardlock or keylock facility, the level of assistance is based on the zone in which the fuel is intended to be used.

If you have any questions on determining the level of assistance, you may contact the Ministry of Finance at the information shown at the end of this bulletin.

SERVICE STATION DEALERS

The level of assistance for service station dealers is calculated on their purchases of gasoline and propane from suppliers and the zone in which the dealer is located. Zones B and C are determined by measuring the distance using public highways from the location of the service station to the nearest Alberta competitor.

To qualify for assistance, fuel dealers must provide Finance with their business name and address, name of their fuel supplier and location. For Zones B and C, the distance from their nearest Alberta competition must also be provided.

To apply for assistance, dealers must submit their purchase invoices along with a completed application to Finance. Alternatively, licensed remitters may make an internal adjustment on their monthly fuel tax return, submit details of the adjustment and provide a credit directly to their fuel dealer. The option chosen must be used consistently for each location.

PROPANE

Propane dealers may only claim the competition assistance allowance on taxable propane that is sold for use in an internal combustion engine. No assistance is provided for propane that is sold tax free.

BULK FUEL DEALERS

The assistance provided to bulk fuel dealers on their fuel deliveries is calculated on their sales. The amount of assistance also depends on the distance that their customer is from the nearest fuel dealer in Alberta or Manitoba. For example, if the customer's fuel storage facilities are within 24 km of the nearest fuel dealer in Alberta, then the Zone B assistance rate applies. If the customer's fuel storage facilities are between 24 km and 56 km from the nearest fuel dealer in Alberta, then the Zone C assistance rate applies.

Bulk fuel dealers located outside the three zones and delivering fuel to a customer who is located within one of the zones are eligible for assistance based on the applicable rate for that zone in which the fuel is delivered to the customer's storage facilities.

Bulk fuel dealers who may be eligible for assistance should submit a report to Finance showing the names of their customers and the distance each customer is from their nearest Alberta or Manitoba fuel dealer. Bulk fuel dealers must also report any new customers eligible for competition assistance and their location before claiming competition assistance for that customer. Bulk fuel dealers may contact their supplier to determine if they will provide credits instead of having to apply directly to Finance for assistance.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

In-Person: Ministry of Finance
Revenue Division
2350 Albert St
REGINA SK S4P 4A6

Fax: 306-787-9644

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