

Information Bulletin

FT-6

Issued: March 2001

Revised: December 2024

THE FUEL TAX AND ROAD USE CHARGE ACT

INFORMATION FOR FUEL TAX REMITTERS, IMPORTERS, EXPORTERS AND DEALERS

This bulletin has been prepared to assist you in understanding your obligations under *The Fuel Tax and Road Use Charge Act* and regulations. It is a general guide and not a substitution for the legislation.

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

The contents of this bulletin are presented under the following sections:

- A. [Licences](#)
- B. [Fuel Tax Reporting](#)
- C. [Other Important Information](#)
- D. [Saskatchewan eTax Services \(SETS\)](#)

A. LICENCES

Under *The Fuel Tax and Road Use Charge Act*, licences are required by those who:

- **Import fuel on a regular basis;**
- **Blend ethanol or other reportable products with fuel;**
- **Manufacture fuel;**
- **Store fuel at a terminal, or sell fuel from a terminal;**
- **Sell liquefied petroleum gas (LPG) products to vendors or consumers; or,**
- **Purchase fuel exempt of tax for exportation.**

Licensed fuel recipients recover tax paid on the sale or distribution of taxable fuel by collecting the tax from the person receiving the fuel; typically, the consumer.

Businesses that blend, manufacture, import, export or store fuel at a terminal can apply for a Fuel Tax Licence by completing and submitting a [Fuel Tax Registration Application](#).

A guaranteed letter of credit or a surety bond will be required for the licence. Applicants will be notified of the required security amount upon receipt of their licence application.

1. **License to Blend, Manufacture or Store Fuel**

To become a **Licensed Fuel Tax Remitter**, terminal storage is required. A terminal includes a fuel storage facility connected directly to a pipeline or refinery, handling (on average) over 10 million litres of fuel monthly.

Licence holders must file a fuel tax return electronically using Saskatchewan eTax Services SETS (sets.saskatchewan.ca) to account for their inventories, acquisitions and dispositions of reportable fuel products.

Licence holders also report exempt and tax reduced dispositions on the fuel tax return. Credits claimed on the fuel tax return for exempt and tax reduced sales to consumers must be supported by transaction detail reported to the Ministry of Finance through SETS using the Exempt Fuel Sales Reporting (EFSR) menu option. See Section B for additional information on sales reporting.

In addition to monthly tax reporting through SETS, Licensed Fuel Tax Remitters must remit tax payments semi-monthly. See Section C for additional details.

2. **Licence to Mark Diesel Fuel**

A person who marks diesel fuel in Saskatchewan must have a licence issued under *The Fuel Tax and Road Use Charge Act*. Licensed markers are eligible to obtain a tax credit or apply for a refund of tax for clear diesel fuel that they mark.

Tax-exempt and tax reduced fuel sales to consumers must be reported through SETS and periodically reconciled to the deductions or credits taken on fuel tax returns.

Supporting documentation must be retained to substantiate diesel fuel marked for the purposes of resale or distribution to another storage facility. Documentation must include the location where the fuel was marked; the delivery location; the delivery date; the quantity in litres; and in the case of a sale, the name and address of the purchaser and the invoice number.

3. **Licence to Import**

An importer's licence is available to any person who imports refined fuel products into Saskatchewan on a regular basis. This licence permits the importation of fuel without reporting and paying the tax applicable at the time of importation.

Licensed importers must report monthly (using the fuel tax return on SETS) by the 20th of the month, to account for tax on fuel imported into Saskatchewan during the previous month (Semi-monthly remittance of tax is required. See Section C for further details).

Finance requires licensed importers to report sales of marked diesel fuel and marked heating fuel to consumers through SETS. Any fuel sold for the purpose of resale must be reported monthly using the fuel tax return. Information should include the fuel tax licence number and the quantity of marked diesel fuel sold.

Information Bulletin [FT-7, Fuel Importers](#) provides more information on the importation of fuel.

4. Licence to Export

Persons other than Fuel Tax remitters who export refined fuel products from Saskatchewan must obtain an exporter's licence for the purpose of purchasing tax-free fuel for exportation. Fuel tax remitters may not sell fuel tax free for export unless the purchaser has a valid exporter's licence.

Exporters must file a fuel tax return using SETS as well as retain copies of the bills of lading and shipping documents declaring the destination of the fuel (if this information is not shown on the bill of lading). For shipments of fuel to the United States (U.S.), a copy of the certified U.S. Custom's Entry Summary must also be retained as supporting documentation.

Information Bulletin [FT-9, Fuel Exporters](#) provides more information on the exportation of fuel from Saskatchewan.

5. Registered Bulk Fuel Dealers and Cardlock/Keylock Operators

Bulk fuel dealers and cardlock/keylock operators who sell marked diesel fuel, marked heating fuel, and exempt propane to purchasers must register with Finance. Tax-exempt and tax reduced sales of fuel made to consumers from bulk fuel/cardlock locations must be reported electronically through SETS using the Exempt Fuel Sales Reporting (EFSR) menu option.

6. Licensed Propane Distributors

Information Bulletin [FT-8, Distributors and Vendors of Propane and other LPG Products](#) provides details for Propane Suppliers and Dealers.

B. FUEL TAX REPORTING

Fuel Tax Returns must be submitted electronically through SETS (sets.saskatchewan.ca) Users may either enter data directly into SETS or upload a [Fuel Tax Return](#) template. Filing instructions are available on SETS and in the return template.

Fuel suppliers and dealers must report all exempt or tax-reduced fuel sales electronically through SETS using the Exempt Fuel Sales Reporting (EFSR) menu option.

The SETS EFSR menu option provides fuel dealers with electronic information regarding the permits issued and cancelled, as well as regular updates on the current status of the Fuel Tax Exemption Permits. Fuel dealers can download the permit holder information (file) on a regular basis and are required to use this information to determine the permit holder's eligibility and restrict or discontinue exempt sales to the permit holder as required.

For additional information on sales to holders of **Fuel Tax Exemption Permits** for farming, commercial logging, trapping, and fishing; and sales of marked heating fuel see Information Bulletin [FT-4, Holders of Fuel Tax Exemption Permits](#).

Tax reduced sales must be reported on Schedule 7 of the Fuel Tax Return as a dollar adjustment (a credit of 12 cents per litre).

C. OTHER IMPORTANT INFORMATION

1. Payment of Tax

Licensed remitters and licensed importers must remit to Finance by the last day of every month, an amount equal to the lesser of:

1. The actual tax payable for the period, beginning on the first day of the month and ending on the 15th day of the month; and,
2. The amount equal to one-half of the tax payable for the preceding month.

On the 20th of the month, the actual Fuel Tax for the preceding month (less the tax paid on the last day of the preceding month) is payable. Late payments are subject to penalty and interest. However, interim payments due on and paid by the last day of the month are not subject to penalty and interest providing the amount is equal to at least 90 per cent of the actual tax determined to be payable for the period or the tax paid is equal to 50 per cent of the tax payable for the preceding month. If the total tax is less than \$10,000 per year, monthly remittances are acceptable.

2. Penalty and Interest Provisions

The Revenue and Financial Services Act and The Revenue Collection Administration Regulations provide for the application of penalty and interest charges to late tax returns and payments, and audit assessments. These penalties are utilized to promote compliance with our tax Acts and to ensure a fair and competitive environment for all Saskatchewan businesses. Please see Information Bulletin [*GENERAL-1, Penalty and Interest Charges*](#) for details.

3. Allowances

A licensed marker is eligible for an allowance in the amount of 30 cents per 1,000 litres of diesel fuel marked.

A licensed remitter or importer may claim an allowance for losses of an unverifiable nature and for handling costs. The amount of the allowance for a licensed importer is 0.25 per cent of the tax on tax-paid fuel imported into Saskatchewan for delivery to fuel vendors. The allowance for a licensed remitter is 0.35 per cent of the tax on tax-paid gasoline and aviation fuel sales and 0.25 per cent of the tax on tax paid diesel fuel sales.

Unverifiable losses include shrinkage and expansion resulting from temperature fluctuations, condensation or other environmental, mechanical or handling causes. Fuel imported directly to a consumer is not eligible for the allowance.

The licensed remitter or importer must pass on that portion of the allowance to their fuel dealers, where the dealer incurs the loss.

4. Dye & Dye Injectors

Licensed remitters and licensed markers are responsible for obtaining their own dye based on the standard that has been approved by Finance for marking diesel fuel.

The dye must be applied so that the resulting proportion of dye to diesel fuel is 14 parts per million, plus or minus one part per million. The dye must be applied by a metered mechanical injector system approved by Finance.

Licensed markers must contact Finance, provide information regarding the make, model and location of the injector, and have it inspected and approved before using a metered mechanical injector system to mark or dispense fuel.

Injectors must be properly maintained and must be secured using seals provided by Finance. Licensed markers must file a *Dye Point Injector Service Report* with Finance within two days of breaking any affixed seal, servicing an injector system, or replenishing a supply of dye. In addition, they must maintain records accounting for all fuel dyed, dye used, and all marked fuel dispensed or sold. Contact Finance by email at Sask.taxinfo@gov.sk.ca or call 1-800-667-6102 to obtain a *Dye Point Injector Service Report*.

5. Terminal Reporting

When fuel is removed from a terminal storage facility, a bill of landing or another document must be issued that shows:

- 1) The destination of the fuel;
- 2) The type of fuel being transported;
- 3) The quantity of fuel being transported;
- 4) The name and location of the terminal;
- 5) The name of the carrier;
- 6) The name and location of the consignee; and,
- 7) The date that the fuel was removed.
- 8) Where a fuel recipient operates a refinery or terminal, and that recipient owns, stores, possesses, or transports fuel they must report owned inventory on the fuel tax return filed through SETS, including fuel that is possessed or stored by another fuel recipient.

D. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS:

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.

- Apply, renew and check status of various Fuel Tax related permits.
- Report exempt or tax reduced fuel sales through the EFSR menu option.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

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

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

To receive automatic email notifications when this or any other bulletin is revised, go to sets.saskatchewan.ca/subscribe.

To provide feedback or suggest changes to this bulletin, please complete a [Bulletin Survey](#).

Government website: Saskatchewan.ca.