

First Nations Gasoline Users: Tax-exempt Purchase of Gasoline for Personal Use by First Nations Individuals

Bulletin GT 2-2001

Published: October 2001

Content last reviewed: March 2011

ISBN: 0-7794-2233-3 (Print), 0-7794-2235-X (PDF)

Publication Archived

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This bulletin provides general information on the treatment of tax-exempt purchase of gasoline by First Nations individuals on a reserve. This bulletin replaces Information Bulletin GTA-98-1 (ISBN 1195-3047).

Rate of tax and exemption

Ontario legislation applies a gasoline tax of 14.7 cents per litre gasoline. Qualified First Nations individuals are exempt from paying this tax if they buy gasoline for personal use from an authorized service station located on a reserve.

Who qualifies for the exemption?

First Nations individuals registered under the Indian Act as "Status Indians" are entitled to purchase gasoline for their personal use exempt of tax, when purchasing from a service station located on a reserve. In order to sell gasoline to those exempted without payment of the 14.7 cents per litre gasoline tax, reserve retailers must be authorized by the Ministry of Finance.

What is the role of the Ministry of Finance?

The Ministry is committed to ensuring that qualified First Nations individuals can purchase tax exempt gasoline according to the provisions of the Gasoline Tax Act. The Ministry must also ensure that compliance measures are in place, so that the exemption from payment of Ontario's gasoline tax is not granted to non-First Nations people who are not entitled to it.

To promote compliance with the "personal use" requirement of the Indian Act, the Ministry of Finance introduced a gasoline tax exemption program in 1974. Through this program, the Ministry provides each eligible First Nations individual with a "Certificate of Exemption", commonly referred to as a "gas card".

Certificate of Exemption (Gas Card)

A gas card, entitling the authorized holder to purchase gasoline exempt of tax will be issued to a First Nations individual who is registered as a Status Indian in accordance with the Indian Act. Cards will be issued to qualified individuals who live on or off a reserve; however, gasoline that is tax-exempt must be purchased from an on-reserve service station.

Except in the case of children, as noted below, only the person whose name is printed on the gas card may use the gas card. Members of the same family who are of driving age should each apply for their own cards. Children not of driving age purchasing small amounts of gasoline for snowmobiles or off road vehicles are permitted to use their parents' cards.

How to obtain a Certificate of Exemption (Gas Card)

To purchase gasoline tax-exempt on a reserve, a First Nations person must be in possession of a valid gas card issued by the Ministry.

To obtain a gas card, you will need to complete an [Application for Certificate of Exemption for First Nations Individuals \[PDF - 314 KB\]](#) form. Alternatively, you may also mail or fax a written request to the address below. A written request from the applicant must be mailed or faxed directly to the Ministry of Finance, along with a legible photocopy of the front and back of his/her valid Certificate of Indian Status card from Indian and Northern Affairs Canada, and the applicant's telephone number and mailing address and a reason for requesting a card.

Applicants who have not received their gas card within three weeks should contact the Ministry.

How to purchase tax-exempt gasoline

A First Nations individual purchasing tax-exempt gasoline must possess a valid gas card issued by the Ontario Ministry of Finance. This card must be presented by the purchaser to the retailer each time gas is purchased. The gas card holder must not leave the card at the service station, but rather must keep the card in his/her own possession.

At the time of purchase, the purchaser must present his or her gas card and sign a tax-exempt voucher for each purchase (service stations are provided with the procedures and requirements for completing these vouchers).

Role of authorized service station operators

Service stations authorized to sell tax-exempt gasoline must complete all information on the tax exemption voucher. It is also the responsibility of the service station

operator to ensure that each voucher is imprinted with the purchaser's gas card at the time of purchase. The voucher must be signed by the cardholder. The only exception is when a child who does not have a driver's license purchases small quantities of gasoline for off-road vehicles or snowmobiles. In this situation, the child may use his parents' gas card to purchase gasoline and may sign his own name on the voucher. For more information about the obligations of authorized service station operators, please refer to [Ontario Tax Bulletin No. GT 3-2001 First Nations Gasoline Retailers Tax-Exempt Sale of Gasoline to First Nations Individuals on a Reserve.](#)

Purchases of large volumes of gasoline

If the quantity of gasoline purchased is greater than an amount that could reasonably fill a car or truck, the retailer will ask the person purchasing gasoline for an address and phone number. In addition, if a purchaser buys gasoline for the purpose of filling a boat, tank, cans, or drums, the purchaser should tell this to the retailer. The retailer will then indicate "boat", "drums", "cans" on the voucher. The Ministry requires this information when reviewing vouchers submitted by retailers.

In some circumstances, Ministry staff may contact a First Nations individual to verify whether a large purchase of gasoline was made. Similarly, if large volumes of gasoline are purchased in a number of separate purchases over short time periods by an individual, the Ministry may also require the retailer to provide the telephone number of the purchaser in order to verify these purchases.

If you are a customer who is going to be purchasing gasoline in high volumes on a regular basis, please notify the Ministry of Finance.