

Bulletin GT 3-2011

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- This bulletin provides information on the **Electronic Service for Authorized On-Reserve Gasoline Retailers**.
- This bulletin replaces [Tax Bulletin GT 2-2001 First Nations Gasoline Users: Tax-exempt Purchase of Gasoline for Personal Use by First Nations Individuals](#). This bulletin provides information on the treatment of tax-exempt purchases by First Nations bands and individuals on a reserve.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the Gasoline Tax Act and its regulations.

## **General**

### **Rate of Tax and Exemption**

Ontario legislation applies a gasoline tax of 14.7 cents per litre of gasoline. Qualified First Nations bands and individuals are exempt from paying this tax if they buy gasoline on a reserve for their exclusive use from an authorized on-reserve gasoline retailer.

### **Who Qualifies for the Exemption?**

First Nations bands and individuals registered under the Indian Act as "Status Indians" are entitled to purchase gasoline on a reserve for their exclusive use exempt from tax in the circumstances prescribed by the Gasoline Tax Act and described in this tax bulletin.

### **Who Can Sell Tax-exempt Gasoline?**

Only those on-reserve gasoline retailers that are authorized by the Ministry of Finance may sell tax-exempt gasoline to qualified First Nations bands and individuals. For the purposes of this bulletin, "retailer" means an authorized on-reserve gasoline retailer.

### **Role of the Ministry of Finance**

The ministry is committed to ensuring that qualified First Nations bands and 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 an exemption from payment of Ontario's gasoline tax is granted only to persons who are entitled.

## **Gas Card**

Upon application, the ministry provides each eligible First Nations band or individual with a "Certificate of Exemption," commonly referred to as a "gas card."

## **Tax-Exempt Purchases of Gasoline**

### **Presentation of Gas Card**

A First Nations individual purchasing tax-exempt gasoline must possess a valid gas card issued by the ministry. 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 with the authorized on-reserve gasoline retailer, but rather must keep the card in his/her own possession.

### **Gas Card to be Issued**

A gas card, entitling the authorized holder to purchase gasoline exempt from tax, will be issued to a First Nations band or individual who is registered as a Status Indian in accordance with the Indian Act.

### **Children Under Age 16**

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 card. Children under 16 years of age, purchasing small amounts of gasoline for snowmobiles or off road vehicles, are permitted to use the gas card issued to their parents or guardians.

### **How to Obtain a Gas Card**

To purchase gasoline tax-exempt on a reserve, a First Nations band or individual 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, along with:

1. a clear photocopy of the front and back of your valid Certificate of Indian Status card issued by Indian and Northern Affairs Canada,
2. your name, telephone number and full mailing address printed on the photocopy,
3. the reason for your request, i.e., first time applying, card was damaged, card was lost, your name was changed on the band list,
4. your signature at the bottom of the photocopy,
5. if you are applying on behalf of a First Nations Band, please include the following information:

- band name
- list of Band-authorized drivers
- list of Band-owned vehicles by make, model and licence plate number

## **Mailing Address and Fax Number**

Ministry of Finance  
Motor Fuels and Tobacco Tax Refunds Unit  
33 King Street West  
PO Box 625  
Oshawa ON L1H 8H9

- Fax: 905 433-5680
- Phone: 1 866 ONT-TAXS (1 866 668-8297)

If you do not receive your gas card within three weeks of sending your request, please contact the ministry.

## **Changes to Gas Cards**

For more information on the changes to gas cards issued after March 19, 2006, please see [Information Notice 2006-1 Changes to Certificates of Exemption \(Gas Cards\) Issued after March 19, 2006.](#)

## **Electronic Voucher System: E-Service**

### **E-Service Introduction**

The Ministry of Finance has introduced an optional electronic service or “e-service” that accepts electronic vouchers from authorized on-reserve gasoline retailers for gas tax refunds of tax-exempt sales to First Nations bands and individuals.

### **Purchase by E-Service**

- At the time of the purchase, you will present your gas card to the retailer so the card may be processed through e-service.
- The retailer will key the gas card number and the quantity of gasoline sold into the point-of-sale device to create an electronic voucher.
- The vehicle licence plate information is not required.
- You must sign the top copy of the sales slip and return it to the retailer.
- The bottom copy of the sales slip is retained by you.

- If you are a First Nations individual residing in Ontario, your Ontario gas card must be used to purchase tax-exempt gasoline.
- If your gas card cannot be validated by e-service, you will need to obtain a new gas card. Please refer to "[How to Obtain a Gas Card](#)" in this bulletin.

## **Purchasing Tax-Exempt Gasoline Using Paper Vouchers**

### **Purchase by Paper Voucher**

- At the time of the purchase, you will present your gas card to the retailer to process the card through the imprinter.
- The vehicle licence plate information is not required.
- Upon receipt of the gasoline, you will sign a paper tax-exempt voucher presented by the retailer to confirm the quantity purchased and the amount of the tax exemption.
- If you are a First Nations individual residing in Ontario, your Ontario gas card must be used to purchase tax-exempt gasoline.

### **Role of Retailer**

Retailers authorized to sell tax-exempt gasoline must complete all information on the paper tax-exempt voucher. It is also the responsibility of the retailer to ensure that each paper voucher is imprinted with the information on the purchaser's gas card at the time of purchase.

### **Signature Required**

The voucher must be signed by the cardholder. The only exception is when a child under the age of 16 purchases small quantities of gasoline using a parent's or guardian's gas card. In such cases, the child may sign his or her own name on the voucher.

## **Purchases of Large Volumes of Gasoline**

### **Verification**

In some circumstances, it may be necessary for ministry staff to contact you to verify whether a large purchase of gasoline was made.

For instance, if the quantity of gasoline purchased is greater than an amount that could reasonably fill a car or truck, or, if a gas card is used to purchase large volumes of gasoline over a short time period through a number of separate purchases, you will be asked by the retailer to provide your phone number in order to verify these purchases.

## Ongoing Purchases

If you intend to purchase high volumes of gasoline on a regular basis, please contact the Ministry of Finance at the address below.

## Additional Information

For more information about the obligations of authorized on-reserve gasoline retailers, please refer to [\*\*Tax Bulletin GT 1-2011 Authorized On-Reserve Gasoline Retailers: E-Service and Tax-Exempt Sales of Gasoline\*\*](#) and [\*\*Tax Bulletin GT 2-2011 Authorized On-Reserve Gasoline Retailers: Paper Voucher Service and Tax-Exempt Sales of Gasoline\*\*](#).

If this bulletin does not completely address your particular situation, please refer to the Gasoline Tax Act and related regulations, visit our website at [ontario.ca/finance](http://ontario.ca/finance) or contact:

Ministry of Finance  
Client Services Branch  
Motor Fuels and Tobacco Tax Refunds Unit  
33 King Street West  
Oshawa ON L1H 8H9

- 1 866 ONT-TAXS (1 866 668-8297)
- Fax: 905 433-5680
- 1 800 263-7776 for teletypewriter (TTY)