



Service Nova Scotia
Program and Registry
Management
Provincial Tax Commission

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Tax Commission - The Facts about the Fuel Tax Exemption Program An Investment in Nova Scotia's Industries

- Every year, more than 4,600 businesses in Nova Scotia receive the fuel tax exemption.
- An estimated \$20 million in tax savings is passed on to farmers, fishers and other qualified consumers every year.
- Consumer Exemption Permits are renewable every three years.
- All applicants who received authorization to purchase tax exempt (marked) fuel prior to April 1, 1996, are not required to pay a registration fee.
- Revenue from this fee helps cover the cost of administering the program, including compliance features like inspections.
- There are three components to the program - the Consumer Exemption Permit, Administration, and Compliance. Fee revenues from all permits cover about one-third of the cost to offer the entire program.
- The Consumer Exemption Permit allows permit holders to acquire the fuel tax exemption at the point of sale, protecting cash flow by reducing up front expenses for the permit holder.
- The Consumer Exemption Permit reduces red tape by allowing permit holders to bypass paperwork associated with requesting a refund. The permit is not necessary to obtain the refund; those who qualify can save fuel receipts and apply for a refund within 15 months of the date of purchase, or when claims exceed \$100.
- Administration includes processing the application and renewals, updating the database, and verification of exemptions at the wholesale level.
- Compliance officers verify tax exempt (marked) fuel is being used properly in equipment that qualifies for exemption. Officers conduct approximately 2,000 inspections per year to safeguard the integrity of the program.
- Monitoring the program ensures that the exemption remains in place and Nova Scotia taxpayers remain assured the program and tax system is protected.