

BILL

No. 68

An Act to amend *The Fuel Tax Act, 2000*

(Assented to _____)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

Short title

1 This Act may be cited as *The Fuel Tax Amendment Act, 2017*.

SS 2000, c F-23.21 amended

2 *The Fuel Tax Act, 2000* is amended in the manner set forth in this Act.

New sections 6 and 6.1

3 **Section 6 is repealed and the following substituted:**

“Purchases of marked diesel fuel and tax exempt propane by farmers, primary producers of renewable resources

6(1) A recipient who is a farmer may purchase marked diesel fuel or tax exempt propane if:

(a) at the time of purchase, the farmer holds a valid fuel tax exemption permit issued by the minister or the minister’s designate and either produces that permit or provides the permit number; and

(b) the marked diesel fuel or tax exempt propane is intended solely for use in the farmer’s unlicensed farm machinery or in a licensed farm vehicle, when that fuel or propane is used in the farmer’s farming operations or for any other prescribed use or purpose.

(2) A recipient who is a primary producer of renewable resources may purchase marked diesel fuel or tax exempt propane if:

(a) at the time of purchase, the primary producer of renewable resources holds a valid fuel tax exemption permit issued by the minister or the minister’s designate and either produces that permit or provides the permit number; and

(b) the marked diesel fuel or tax exempt propane is intended solely for a prescribed use or purpose in the business of the primary producer of renewable resources as a primary producer of renewable resources.

(3) Notwithstanding subsections (1) and (2), every recipient mentioned in those subsections must pay tax on propane that is sold through a metering facility mentioned in clause 5(3)(a).

“Requirements re certain sales of marked diesel fuel, propane

6.1(1) A recipient, other than a consumer, who sells marked diesel fuel to a farmer or a primary producer of renewable resources is required to collect 20% of the tax required to be paid with respect to that sale if:

- (a) the marked diesel fuel was purchased in the circumstances mentioned in subsection 6(1) or (2); and
 - (b) the recipient is satisfied that:
 - (i) the person purchasing the marked diesel fuel is the person named in the fuel tax exemption permit;
 - (ii) the permit mentioned in subclause (i) is valid; and
 - (iii) the marked diesel fuel purchased is intended for use solely in the purchaser’s farming operations or business as a primary producer of renewable resources, as the case may be.
- (2) If the requirements mentioned in subsection (1) are met, the recipient must:
- (a) indicate on each copy of the invoice the fuel tax exemption permit number of the person purchasing the marked diesel fuel; and
 - (b) comply with the prescribed requirements for the reporting of the sale of marked diesel fuel.
- (3) A recipient, other than a consumer, who sells propane to a farmer or primary producer of renewable resources shall not collect tax with respect to that sale if:
- (a) the propane was purchased in the circumstances mentioned in subsection 6(1) or (2); and
 - (b) the recipient is satisfied that:
 - (i) the person purchasing the propane is the person named in the fuel tax exemption permit;
 - (ii) the permit mentioned in subclause (i) is valid; and
 - (iii) the propane purchased is intended for use solely in the purchaser’s farming operations or business as a primary producer of renewable resources, as the case may be.
- (4) If the requirements mentioned in subsection (3) are met, the recipient must:
- (a) indicate on each copy of the invoice the fuel tax exemption permit number of the person purchasing the propane; and
 - (b) comply with the prescribed requirements for the reporting of the sale of tax exempt propane”.

Section 11 amended**4 Subclause 11(2)(b)(v) is repealed and the following substituted:**

“(v) in the case of diesel fuel, the diesel fuel is marked by a person to whom a licence has been issued pursuant to section 19 for a subsequent sale as:

- (A) marked diesel fuel; or
- (B) marked diesel fuel for heating use”.

New section 12.1

5 The following section is added after section 12:

“Marked diesel fuel used for heating

12.1(1) The use of marked diesel fuel for heating is an authorized purpose.

(2) The minister may authorize a recipient to purchase marked diesel fuel for heating use without paying tax.

(3) An authorization issued pursuant to subsection (2) is for any period that may be specified in the authorization, and subsections 12(2) and (3) apply, with any necessary modification.

(4) For the purposes of this section and section 22, marked diesel fuel sold for heating use must be identified as heating fuel or fuel oil at the time of sale and must be:

- (a) delivered into a tank used exclusively for the storage of fuel used for heating; or
- (b) sold to the holder of an authorization issued pursuant to subsection (2)”.

Section 17 amended

6(1) Clause 17(2)(b) is repealed and the following substituted:

“(b) deposit with the minister an amount equal to the amount of tax that would be payable if the fuel were acquired or received by a recipient in Saskatchewan”.

(2) Subsection 17(4) is repealed.

Section 22 amended

7 Subsections 22(1) and (2) are repealed and the following substituted:

“(1) No person shall use marked diesel fuel, or any mixture of fuel containing marked diesel fuel in any proportion, for any purpose other than a purpose that is:

- (a) authorized by subsection 6(1) or (2);
- (b) authorized by section 12.1; or
- (c) permitted by the regulations.

“(2) No person shall sell marked diesel fuel that the person knows or ought to know will be used for a purpose other than a purpose or use that is:

- (a) authorized by subsection 6(1) or (2);
- (b) authorized by section 12.1; or
- (c) permitted by the regulations”.

Coming into force

8 This Act comes into force on assent, but is retroactive and is deemed to have been in force on and from April 1, 2017.

FIRST SESSION
Twenty-eighth Legislature
SASKATCHEWAN

B I L L

No. 68

An Act to amend *The Fuel Tax Act, 2000*

Received and read the

First time

Second time

Third time

And passed

Honourable Kevin Doherty
