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**Title** Heating Fuel Sales

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**Overview** No tax is payable on fuel purchased for use and subsequently consumed for space heating of buildings.

Fuel sellers may provide point-of-sale fuel tax exemptions when the fuel seller obtains and retains evidence that fuel was both purchased and consumed for space heating of buildings.

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**Legislation or Regulation** *Fuel Oil Tax Act*, Section 4

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**Definitions** **Exempt:** means no fuel tax is payable for fuel purchased and consumed for space heating of buildings as outlined under the *Fuel Oil Tax Act* (FOTA).

**Heating Fuel:** untaxed diesel fuel that is purchased and consumed for space heating of buildings.

**Point-of-sale exemption:** means the fuel seller does not charge the purchaser the Yukon fuel taxes.

**Seller:** means a person who sells fuel oil to a purchaser.

**Tax:** means the tax imposed by the FOTA.

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**Requirements** **Point-of-Sale Fuel Tax Exemptions**

Point-of-sale fuel tax exemptions can occur only if the fuel was both **purchased** for AND **consumed** for space heating of buildings. As a result the following applies to heating fuel deliveries and pick-ups:

**1. Heating Fuel Delivery**

If fuel is delivered to a heating fuel tank it can be sold exempt at point-of-sale. When fuel is delivered as such it can be deemed, for the purpose of the seller selling fuel exempt, consumed for space heating of buildings.

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## 2. Heating Fuel Pick-Up

If fuel is picked up by the purchaser the fuel seller is unable to determine whether the fuel is ultimately consumed for space heating. For pick-up purchases the following tax options exist:

- a. fuel is sold fully taxable

or

- b. point-of-sale fuel tax exemption occurs

**NOTE:** if fuel that is picked up by the purchaser is sold exempt at the point-of-sale the seller must maintain sufficient evidence/records that the fuel was consumed for space heating purposes (i.e. keep track of all usage until consumed).

### Refunds

If fuel taxes are charged on a fuel purchase and the purchaser subsequently consumes the fuel for space heating of buildings the purchaser can apply directly to the Department of Finance for a refund of the fuel taxes paid.

Refunds shift the responsibility of determining the tax liability from the fuel seller to the Department of Finance.

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**For further information contact:**

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