



**GOVERNMENT OF  
NEWFOUNDLAND  
AND LABRADOR**

**DEPARTMENT OF FINANCE  
TAXATION AND FISCAL POLICY BRANCH**

**Bulletin No. Gas 304  
Issue Date: June 2003**

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**TAX INFORMATION BULLETIN  
GASOLINE TAX  
Farming Exemptions**

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Under the Gasoline Tax Act fuel used by a **farmer** in **qualifying equipment** for **farming purposes** is exempted from the Gasoline Tax.

A farmer is defined as a person in the business of producing natural products for sale who is a registered producer under paragraph 9(1)(k) of the *Natural Products Marketing Act* and has sold a minimum of \$5,000 of natural products. Farming is defined as the production of natural products for sale.

**Qualifying Equipment**

This exemption applies to qualifying equipment used by a farmer for farming purposes. Qualifying equipment in these circumstances are:

- Equipment specifically designed or modified for farming. This includes tractors, combines, foragers, tillers and such, or;
- A vehicle specifically designed or modified for use in spreading or transporting agricultural liquid or slurry. Such vehicles must be equipped with an enclosed tank and meet environmental standards.

**Exemption Method**

**Marked Diesel Permit**

A farmer consuming diesel fuel in equipment qualifying for the exemption is required to obtain a marked diesel permit from the Department of Finance. This permit authorizes the farmer to purchase tax exempt marked fuel for consumption in the qualifying equipment. This is an annual permit which must be renewed no later than March 31<sup>st</sup> of each calendar year.

A farmer may not use furnace fuel to power an internal combustion engine. This is a violation of the Gasoline Tax Act. The farmer must purchase marked diesel using their exemption permit.

#### Tax Rebate

A farmer consuming fuel (other than diesel fuel) in equipment qualifying for the exemption may apply for a rebate of the tax paid upon that fuel. A rebate must be claimed within three (3) years from the date of purchase of the fuel. Rebate forms may be obtained by contacting the Department or on the website at [www.gov.nl.ca/fin/](http://www.gov.nl.ca/fin/). Applications should be submitted to the address below.

A rebate cannot be obtained on diesel fuel. Rebates of tax on diesel fuel are specifically prohibited under the Act. Farmers are required to obtain a marked diesel permit and purchase marked diesel for qualifying equipment to avail of the exemption.

#### **Non-qualifying equipment**

The fuel tax exemptions do not include fuel used in trucks, automobiles, snowmobiles or all terrain vehicles, whether or not licensed under the *Highway Traffic Act* and regardless of the purpose for which this equipment is being used. Consumption of marked fuel in non-qualifying equipment is a violation of Section 40(2) of the Gasoline Tax Act. Detection of dyed fuel in non-qualifying equipment is an offence under the Act and is subject to prosecution and/or assessment.

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Should you require further information regarding an exemption permit, rebate or information regarding any of the tax laws administered by the Tax Administration Division, please contact the office at:

Department of Finance  
Tax Administration Division  
Confederation Building  
P.O. Box 8720  
St. John's, NL  
A1B 4K1  
Phone: (709) 729-6297  
Fax: (709) 729-2856

Disclaimer: This bulletin is prepared as a guideline and interpretation of the statute. Where a conflict between the bulletin and statute arises, the statute will take precedence.