



LEGISLATIVE RETURN

SUBMITTED BY: Hon. Mr. Silver, Premier

1. On October 31, 2019, Mr. Cathers, Member for Lake Laberge
- asked the following question during the Oral Question Period at page(s) _____ of *Hansard*
- submitted the following written question – WQ No. 2
- gave notice of the following motion for the production of papers – MPP No. _____
- RE: Carbon Price exemption for Farm Propane

OR

2. This legislative return relates to a matter outstanding from discussion with (Member) _____ on _____ related to:
- Bill No. _____ Second Reading Third Reading
- Committee of the Whole: (eg: Vote 15) _____
- Motion No. _____ RE: _____
- at page(s) _____ of *Hansard*.

The response is as follows:

The Government of Canada introduced carbon pricing as a way to address climate change through the Greenhouse Gas Pollution Pricing Act (GGPPA) to meet emission reduction targets under the Paris Agreement. Provinces and territories agreed to the Pan-Canadian Framework on Clean Growth and Climate Change (PCF) which outlines the principles for pricing carbon pollution.

The federal government through its Greenhouse Gas Pollution Pricing Act charges a carbon levy on all fuel consumed in the territory. Canada also provides exemptions from carbon pricing, under certain defined conditions, exemptions are available through the use of an exemption certificate. The exemptions are limited to the operation of farm machinery for the purpose of farming. Attached is the Federal Tax Form L402 - Fuel Charge Exemption Certificate for Farmers.

Specifically, the GGPPA provides that a registered distributor can deliver exempt gasoline or light fuel oil to a farmer at a farm, if the fuel is for use exclusively in the operation of eligible machinery or for eligible farming activities.

A few activities are not covered by the exemption provided by Canada, they are as follows:

- Barn heating for any purpose
- Crop drying
- Residential heating
- Fuel that is used in licensed vehicles.

As we have discussed in the past, a comprehensive review by Federal, provincial and territorial governments is due by 2022 - 2023 to establish the approach to carbon pollution pricing, including expert assessment of stringency and effectiveness that compares carbon pollution pricing systems across Canada. This shall provide us the appropriate venue and time to represent the interest of all Yukon stakeholders.

Please see attached.

Sept 28, 2020
Date


Signature



March 5, 2020

Mr. Brad Cathers, MLA
MLA for Lake Laberge
Yukon Legislative Assembly
Box 2703, Whitehorse, YT Y1A 2C6

Dear Mr. Cathers,

Re: Carbon Tax Exemption for Farmers Using Propane

Thank you for your letter of January 22, 2020.

The Government of Canada introduced carbon pricing as a way to address climate change through the Greenhouse Gas Pollution Pricing Act (GGPPA) to meet emission reduction targets under the Paris Agreement. Provinces and territories agreed to the Pan-Canadian Framework on Clean Growth and Climate Change (PCF) which outlines the principles for pricing carbon pollution.

The federal government through its GGPPA charges a carbon levy on all fuel consumed in the territory. Canada also provides exemptions from carbon pricing, under certain defined conditions. Exemptions are available through the use of an exemption certificate. The exemptions are limited to the operation of farm machinery for the purpose of farming. Attached is the Federal Tax Form L402 - Fuel Charge Exemption Certificate for Farmers.

Specifically, the GGPPA provides that a registered distributor can deliver exempt gasoline or light fuel oil to a farmer at a farm, if the fuel is for use exclusively in the operation of eligible machinery or for eligible farming activities.

Activities that are not covered by the exemption provided by Canada are as follows:

- Barn heating for any purpose
- Crop drying
- Residential heating
- Fuel that is used in licensed vehicles

Sincerely,



Sandy Silver
Premier
Minister of Finance



Fuel Charge Exemption Certificate for Farmers

under section 36 of the Greenhouse Gas Pollution Pricing Act, and the Fuel Charge Regulations

If you are a farmer within the meaning of the Greenhouse Gas Pollution Pricing Act (the Act) and you carry out eligible farming activities (as defined below), give this exemption certificate to the registered distributor that delivers the fuel in accordance with this Act.

If a farmer receives delivery of gasoline or light fuel oil (diesel fuel) using its exemption certificate, whether the fuel was delivered at the farm or delivered at a cardlock facility that is registered as a distributor, but uses that fuel type for non-eligible farming activities, the farmer must self-assess the fuel charge based on the quantity of the fuel type that is used for purposes other than those eligible for farmers under the Act and its regulations, using Form B401, Fuel Charge Return for Non-registrants, and the related schedule.

Eligible farming activity means either of the following:

- the operation of eligible farming machinery on a farm for the purposes of farming
- the operation of eligible farming machinery for the purposes of going from a location at a farm to another location at a farm

Eligible farming machinery means property that is primarily used for the purposes of farming and that is a farm truck or a tractor.

1. Business information

Legal name: _____

Business number: _____

2. Farmer

Tick the box to declare that you are a farmer carrying out eligible farming activities, within the meaning of the Act.

3. Type of fuel

Tick the box(es) corresponding to the fuel type by listed province covered by this exemption certificate.

	Type of fuel by listed province						
	Alberta	Manitoba	New Brunswick	Ontario	Quebec	Saskatchewan	Yukon
Gasoline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Light fuel oil (for example, diesel fuel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Fuel Charge Exemption Certificate for Greenhouse Operators

under section 30 of the Greenhouse Gas Pollution Pricing Act, and the Fuel Charge Regulations

If you are a greenhouse operator within the meaning of the Greenhouse Gas Pollution Pricing Act (the Act) and the Fuel Charge Regulations and the fuel is used exclusively for heating or producing carbon dioxide for the operation of a commercial greenhouse for growing any plants, including vegetables, fruits, bedding plants, cut flowers, ornamental plants, tree seedlings and medicinal plants, give this exemption certificate to the registered distributor that delivers the fuel in accordance with this Act or the Regulations.

A greenhouse operator is eligible to obtain relief of 80% of the fuel charge when it receives propane or marketable natural gas and an exemption certificate applies. If a greenhouse operator receives delivery of propane or marketable natural gas using its exemption certificate and uses that type of fuel for non-eligible greenhouse activities, the greenhouse operator must self-assess the fuel charge on the quantity of the type of fuel that is used for purposes other than those eligible for greenhouse operators under the Act and the Regulations, using Form B401, Fuel Charge Return for Non-registrants, and the related schedule.

For more information on greenhouse operators, see Fuel Charge Notice FCN10, Regulations Amending the Fuel Charge Regulations Made Under the Greenhouse Gas Pollution Pricing Act.

1. Business information

Legal name: _____

Business number: _____

2. Greenhouse operator

Tick the box to declare that you are a greenhouse operator within the meaning of the Act and the Regulations.

3. Type of fuel

Tick the box(es) corresponding to the fuel type used exclusively as described above by listed province and covered by this exemption certificate.

	Type of fuel by listed province						
	Alberta	Manitoba	New Brunswick	Quebec	Ontario	Saskatchewan	Yukon
Propane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketable natural gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>