

## Farmer's Purchaser's Permit

### Frequently Asked Questions (FAQs)

#### 1. What is a Farmer's Purchaser's Permit?

The Farmer's Purchaser's Permit allows farmers to obtain a point of sale motive fuel tax exemption for fuel to be consumed in their farming operation.

#### 2. Who qualifies as a farmer?

A person who carries on a farm business that is registered in the Farm Business Registry with the Department of Agriculture, Aquaculture and Fisheries qualifies as a farmer. Such a person is entitled to use the designation Registered Professional Agricultural Producer (RPAP).

#### 3. What activities qualify for the use of tax exempt/marked fuel?

Tax exempt/marked fuel may be consumed in un-licensed vehicles or equipment operated by a farmer while performing on-farm activities. On-farm activities, in addition to traditional field work, include, but are not limited to: ditching, drain tile work, clearing farm land, snow plowing all buildings on the farm including the farmer's homes located on the farm, on-farm construction jobs done by the farmer, loading and hauling boiler fuel or biomass on the farm.

#### 4. How do I apply for the Farmer's Purchaser's Permit?

Farmers will complete a single application form for both the Farm Business Registry and the purchaser's permit. Just check off the box in Section 6 of the Farm Business Registration form and complete the "Farmer Purchaser's Permit Annual Report". Applicants will be issued an RPAP number with a "P" notation which they may use to purchase tax exempt motive fuel. A completed "Farmer Purchaser's Permit Annual Report" must be returned to the Department of Agriculture, Aquaculture and Fisheries with the registration form.

Application forms for the Farm Business Registry (RPAP ) can be accessed online at one of the following addresses:

- Department of Agriculture, Aquaculture and Fisheries, Farm Business Registry webpage at:  
[http://www2.gnb.ca/content/gnb/en/services/services\\_renderer.200592.html](http://www2.gnb.ca/content/gnb/en/services/services_renderer.200592.html)
- Service New Brunswick website at: [www.snb.ca](http://www.snb.ca) and click on "Forms by Department"

Please print and submit the combined registration/application form to:

Registrar of Farms  
Department of Agriculture, Aquaculture and Fisheries  
P.O. Box 6000  
Fredericton, NB  
E3B 5H1

If you are unable to obtain the necessary forms online, please contact the Department of Agriculture, Aquaculture and Fisheries Registrar of Farms at 1-506-444-2848.

#### **5. When does my Farmer's Purchaser's Permit expire?**

The Farmer's Purchaser's Permit will expire January 31 of each year in conjunction with the RPAP expiry date. Annual renewals of the purchaser's permit will be made during the renewal of the farm's registration in the Farm Business Registry (RPAP ).

#### **6. Is there an application fee for the Farmer's Purchaser's Permit?**

There is no fee for the Farmer's Purchaser's Permit. The "P" endorsement will be added to the RPAP number free of charge for those who wish to take part in the program.

#### **7. I understand that the fuel tax exemption provisions for farmers have been expanded. What are these changes?**

Effective November 1, 2012, Registered Professional Agricultural Producers can apply for refunds of tax paid on fuel (gasoline and diesel) used in farm plated (F-Plated) vehicles for farm production activities. Such activities include, but are not limited to: hauling farm products or inputs to/from fields, hauling farm products or inputs to/from the farm or storage, moving equipment to/from fields and moving livestock (including bees) to/from barns and fields. These activities do not include the transportation of agricultural products, inputs or machinery for the purpose of sales or marketing.

#### **8. How do I apply for a refund of taxes paid on motive fuel?**

To apply for a refund of taxes paid on motive fuel, farmers will be required to complete the Farmer Gasoline and Motive Fuel Refund Application specifying the percentage of tax exempt usage by their F-Plated vehicles. Such percentages must be considered reasonable to the specific farming operations based on factors such as the size of the operations, distances travelled, types of vehicles used etc... Completed fuel tax refund applications must be submitted to the Department of Finance together with tax paid receipts for fuel used in farm production activities. Only fuel consumed by F-Plated vehicles in farm production activities on or after November 1<sup>st</sup>, 2012 will qualify for a refund of the tax.

Refund application forms can be accessed online at one of the following addresses:

- Department of Finance website at [www.gnb.ca/finance](http://www.gnb.ca/finance) and click on "Forms" or
- Service New Brunswick website at: [www.snb.ca](http://www.snb.ca) and click on "Forms by Department"

Please print and submit the refund application form to:

Department of Finance  
Revenue Administration Division  
Client Services  
P. O. 3000  
Fredericton, New Brunswick  
E3B 5G5

If you are unable to obtain a refund form online, please contact the Department of Finance at 1-800-669-7070, Monday to Friday, 8:15 a.m. to 5 p.m.

**9. Do I need a Farmer's Purchaser's Permit to get a refund for the taxes paid on motive fuel?**

No, farmers are not required to obtain a purchaser's permit in order to apply for a refund for taxes paid on motive fuel. However, they must be a Registered Professional Agricultural Producer and provide a valid RPAP number on the refund application.

**10. Can I use my RPAP number with the "P" notation to purchase tax exempt motive fuel for consumption in my vehicles registered for highway use, including F-Plated vehicles?**

**NO**, marked fuel (e.g. tax exempt diesel) must not be used in vehicles registered for highway use as this will result in fines and/or penalties of \$1000 for the first offence. RPAP number with the "P" notation cannot be used to obtain point-of-sale tax exemptions on motive fuel used in F-Plated vehicles. Fuel tax exemptions on both gasoline and diesel for F-Plated vehicles used in farming activities are only available through the refund method.

**11. Where can I call for information regarding the Farmer's Purchaser's Permit fuel tax exemption?**

Further fuel tax exemption information can be obtained by contacting the Department of Finance at 1-800-669-7070, Monday to Friday, 8:15 a.m. to 5 p.m.