



Service Nova Scotia and  
Municipal Relations  
Program Management and  
Corporate Services  
Provincial Tax Commission

Maritime Centre  
8<sup>th</sup> Floor, South  
1505 Barrington Street  
PO Box 1003  
Halifax, Nova Scotia  
B3J 2X1

Bus: 902-424-6300  
Fax: 902-424-7434  
Toll Free 1-800-565-2336

Email:  
Taxcommission@gov.ns.ca

## Tax Information

## Bulletin 5037

---

**Bulletin:** 5037  
**Date:** August 20, 2001  
**Subject:** Notice to Propane Wholesalers & Propane Retailers

---

This Bulletin provides information in respect to the provincial taxation of propane under the *Revenue Act*.

### Tax Exempt Propane

Propane sold to a customer for purposes of heating, cooking, and lighting is tax exempt and is normally sold by weight. The exemption applies provided the propane is not intended for use in an internal combustion engine.

### Taxable Propane

Propane used to power an internal combustion engine in a motor vehicle, forklift or other equipment is taxable at the provincial rate of 7.0 cents a litre. Taxable propane is normally sold by volume using a dispenser which is calibrated in litres.

### Retailers and Wholesalers of Propane

Retailers and wholesalers of propane may sell both taxable and tax exempt propane and are required to be registered with Service Nova Scotia and Municipal Relations.

Retailers and wholesalers of propane who sell tax exempt propane on a tank exchange basis and do not dispense propane are not required to be registered with Service Nova Scotia and Municipal Relations.

### Metered Sales of Propane

Retailers and wholesalers who sell propane to consumers on a metered basis must pay the applicable tax to their suppliers on their purchases. In cases where consumers purchase propane on a metered basis for tax exempt purposes such as cooking, heating or lighting, the retailer or wholesaler may provide a point of sale exemption. Retailers and wholesalers who have provided a point of sale exemption for propane sold to consumers for tax exempt purposes such as cooking, heating and lighting may apply for a refund of the tax paid to suppliers related to such sales. Documentation to support a refund must be maintained by the propane retailer or wholesaler such as date of purchase, name of purchaser, address of purchaser, evidence of tax paid to supplier, the amount of propane purchased and a certification by the purchaser that the propane is to be used for heating, cooking or lighting.

In cases where a wholesaler or retailer has not provided a point of sale tax exemption to consumers who have purchased propane to be used for cooking, heating or lighting, the consumer may apply for refund of tax paid. Consumers must provide documentation with the refund application (ie. sales invoice or cash register tape to support any refund).

---

"Tax Information Bulletins are published by the Program Management and Corporate Services Division for the sole purpose of providing information and to announce changes in the *Revenue Act* or *Sales Tax Act and Regulations*. Tax Information Bulletins do not replace the law found in the *Act* or *regulations*. Bulletins are provided for reference purposes only. For legislative approved text of provisions of the *Revenue Act* or *Sales Tax Act and Regulations*, see official volumes." **Should you require further information, please contact us.**

---

Refund forms can be obtained from your nearest Access Nova Scotia office or by calling Service Nova Scotia & Municipal Relations or on our website (See [Application Form](#)).

### **Sale of Taxable and Tax Exempt Propane**

In cases where propane is sold to a consumer, and delivered to a single storage tank for use by the consumer for tax exempt and taxable purposes, tax must be collected on the entire sale. The consumer may apply for a refund of a portion of the tax used for heating, cooking, and lighting. Consumers must provide documentation with the refund application such as sales invoices, or cash register and a description of taxable and tax exempt use.

Refund forms can be obtained from your nearest Access Nova Scotia office or by calling Service Nova Scotia & Municipal Relations or on our website (See [Application Form](#)).

### **PROPANE TAX RATE**

The current rate of tax to be collected on propane sales is as follows:

Propane sold through metered dispensing equipment and used to power motor vehicles, forklifts and other equipment	7.0 cents per litre
Propane sold for uses such as heating, cooking, and lighting	nil

---

"Tax Information Bulletins are published by the Program Management and Corporate Services Division for the sole purpose of providing information and to announce changes in the *Revenue Act or Sales Tax Act and Regulations*. Tax Information Bulletins do not replace the law found in the Act or regulations. Bulletins are provided for reference purposes only. For legislative approved text of provisions of the *Revenue Act or Sales Tax Act and Regulations*, see official volumes." **Should you require further information, please contact us.**

---