

PETROLEUM PRODUCTS TAX ACT
R-001-2017
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TAX REBATE REGULATIONS

The Minister, under section 23 of the *Petroleum Products Tax Act* and every enabling power, makes the annexed *Tax Rebate Regulations*.

PART 1: HARVESTING AND TOURISM TAX REBATE

Interpretation

1. In this Part,

"eligible petroleum products" means petroleum products used in Nunavut in qualifying equipment and machinery; (*produits pétroliers admissibles*)

"harvest" means harvest within the meaning of the *Wildlife Act*; (*récolte* or *récolter*)

"qualifying equipment and machinery" means any equipment or machinery that is used in harvesting activities or in guiding, outfitting or other outdoor recreational services; (*équipement et machinerie admissibles*)

"tourism operator" means

- (a) a guide within the meaning of the *Travel and Tourism Act*,
- (b) a person licensed as an outfitter under the *Outfitter Regulations*, made under the *Travel and Tourism Act*,
- (c) a person entitled, under the *Wildlife Act*,
 - (i) to act as a guide, big game guide or big game outfitter,
 - (ii) to conduct wildlife tours, or
 - (iii) to establish, offer or provide an organized activity in which wildlife is the object of interaction, manipulation or close observation, and
- (d) a person licensed as a tourism establishment operator under the *Tourist Establishment Regulations*, made under the *Travel and Tourism Act*; (*exploitant d'entreprise touristique*)

"wildlife" means wildlife within the meaning of the *Wildlife Act*. (*ressources fauniques*)

Eligibility for Tax Rebates

2. (1) A person who harvests wildlife is eligible to apply under this Part for a tax rebate on eligible petroleum products used in the harvesting activities.

(2) A group or organization that conducts or sponsors a community organized harvest is eligible to apply under this Part for a tax rebate on eligible petroleum products used in the harvest.

(3) A corporation incorporated or registered under the *Business Corporations Act* that possesses a commercial harvesting licence under the *Wildlife Act* and conducts a commercial organized harvest is eligible to apply under this Part for a tax rebate on eligible petroleum products used in the harvest.

(4) A tourism operator is eligible to apply under this Part for a tax rebate on eligible petroleum products used in guiding, outfitting or other outdoor recreational services for a client who contracts such services.

(5) A person who quarries rock for the purpose of carving, whether or not the person has a lease issued under the *Territorial Quarrying Regulations*, made under the *Territorial Lands Act* (Canada), is eligible to apply

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under this Part for a tax rebate on eligible petroleum products used directly in the quarrying activities, including transportation to and from the quarry site.

3. (1) The tax rebate applies to petroleum products purchased in Nunavut on or after January 1, 2016, under section 2 of the *Petroleum Products Tax Act*.

(2) Petroleum products used in a motor vehicle within a municipality are not eligible for a tax rebate.

Tax Rebates

4. (1) Where an applicant meets all the requirements of this Part and has paid tax on eligible petroleum products, the Minister shall pay that person a rebate equal to the amount of the petroleum products tax paid.

(2) No applicant is eligible for a tax rebate under this Part if the amount of the rebate that would otherwise be payable is less than \$25.

(3) No applicant is entitled to interest on a tax rebate.

Application

5. (1) An application for a tax rebate must be completed in the form approved by the Minister and must include receipts for petroleum products purchased in Nunavut and evidence showing that they were eligible petroleum products.

(2) An application for a tax rebate must be submitted within one year after the petroleum products were purchased.

(3) For greater certainty, no person may apply for or be paid a tax rebate for petroleum products used more than one year after they were purchased.

(4) The Minister may, at the time an application is made or at any subsequent time, require an applicant to supply any additional information necessary to determine whether the eligibility requirements have been met.

(5) Where the Minister requires additional information under subsection (4), the applicant shall supply that information within the time specified by the Minister.

6. A person who receives a tax rebate shall retain complete and accurate records of petroleum products purchases for four years after the end of the year in which the tax rebate is paid.

Overpayment

7. (1) Where a tax rebate has been paid under this Part and, in the opinion of the Minister, the petroleum products were used for an ineligible use or the recipient knowingly provided false or misleading information or was otherwise ineligible for the tax rebate, the Minister may declare the amount of the tax rebate paid to be an overpayment.

(2) Where a tax rebate is paid under this Part and the recipient fails to supply information requested under subsection 5(4), the Minister may declare the amount of the tax rebate paid to be an overpayment.

(3) Any overpayment made under this Part is a debt due to the Government of Nunavut and may be recovered in the manner authorized by the *Financial Administration Act* or any other manner authorized by law.

(4) A person who received an overpayment referred to in subsection (1) or (2) is ineligible, without the Minister's permission, to apply for a tax rebate for a period of five years from the end of the year in which the overpayment was made.

PART 2: MINERAL EXPLORATION TAX REBATE

Interpretation

8. In this Part,

"eligible petroleum products" means petroleum products used in Nunavut in qualifying equipment and machinery; (*produits pétroliers admissibles*)

"mineral exploration" means

- (a) activities directly required for locating and defining a mineral resource including the carrying out of geophysical surveys, collection of geochemical samples, drilling, boring, sinking shafts, driving tunnels, trenching and stripping, and bulk sampling;
- (b) necessarily incidental activities to those listed in paragraph (a) including field support by fixed or rotary wing aircraft, use of vehicles and other machinery on-site, development and operation of on-site accommodations, and transportation of samples from on-site to a qualified laboratory for geochemical analysis; and
- (c) any other activity that qualifies as an exploration cost under the *Nunavut Mining Regulations*, made under the *Territorial Lands Act* (Canada); (*exploration minière*)

"on-site" means within the boundaries of a related land use permit issued under the *Nunavut Mining Regulations*, made under the *Territorial Lands Act* (Canada) in support of mineral exploration activities carried out in respect of acquired mineral tenure issued under the same regulations; (*site minier*)

"qualifying equipment and machinery" means any equipment or machinery that is used in mineral exploration. (*équipement et machinerie admissibles*)

Eligibility for Tax Rebates

9. A person who engages in mineral exploration and has a license to prospect issued under the *Nunavut Mining Regulations*, made under the *Territorial Lands Act* (Canada), is eligible to apply under this Part for a tax rebate on eligible petroleum products used directly in mineral exploration.

10. (1) The tax rebate applies to petroleum products purchased in or brought into Nunavut on or after January 1, 2016, under section 2 or 5, respectively, of the *Petroleum Products Tax Act*.

(2) Petroleum products used in a motor vehicle within a municipality are not eligible for a tax rebate.

Tax Rebates

11. (1) Where an applicant meets all the requirements of this Part and has paid tax on eligible petroleum products, the Minister shall pay that person a rebate equal to the amount of the petroleum products tax paid.

(2) No applicant is eligible for a tax rebate under this Part if the amount of the rebate that would otherwise be payable is less than \$1,000.

(3) No applicant is entitled to interest on a tax rebate.

Application

12. (1) An application for a tax rebate must be completed in the form approved by the Minister and must include receipts for petroleum products purchased in or brought into Nunavut and evidence showing that they were eligible petroleum products.

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- (2) An application must also include the following:
- (a) a copy of the licence to prospect;
 - (b) proof of a prospecting permit, mineral claim or lease issued under the *Nunavut Mining Regulations* (Canada);
 - (c) documents, records or other evidence showing that the applicant engaged in mineral exploration activities during the period;
 - (d) documents, records or other evidence showing that the petroleum products were used solely in qualifying equipment and machinery and directly in mineral exploration.

(3) An application for a tax rebate must be submitted within one year after the petroleum products were purchased in or brought into Nunavut.

(4) For greater certainty, no person may apply for or be paid a tax rebate for petroleum products used more than one year after they were purchased in or brought into Nunavut.

(5) The Minister may, at the time an application is made or at any subsequent time, require an applicant to supply any additional information necessary to determine whether the eligibility requirements have been met.

(6) Where the Minister requires additional information under subsection (5), the applicant shall supply that information within the time specified by the Minister.

13. A person who receives a tax rebate shall retain complete and accurate records of petroleum products purchases and imports for four years after the end of the year in which the tax rebate is paid.

Overpayment

14. (1) Where a tax rebate has been paid under this Part and, in the opinion of the Minister, the petroleum products were used for an ineligible use or the recipient knowingly provided false or misleading information or was otherwise ineligible for the tax rebate, the Minister may declare the amount of the tax rebate paid to be an overpayment.

(2) Where a tax rebate is paid under this Part and the recipient fails to supply information requested under subsection 12(5), the Minister may declare the amount of the tax rebate paid to be an overpayment.

(3) Any overpayment made under this Part is a debt due to the Government of Nunavut and may be recovered in the manner authorized by the *Financial Administration Act* or any other manner authorized by law.

(4) A person who received an overpayment referred to in subsection (1) or (2) is ineligible, without the Minister's permission, to apply for a tax rebate for a period of five years from the end of the year in which the overpayment was made.

REPEAL

15. The *Tax Rebate Regulations, R-012-2006*, are repealed.

SAVING

16. Despite the repeal of the *Tax Rebate Regulations, R-012-2006*, any tax rebate for petroleum products used in qualifying equipment and machinery, as defined by the repealed regulations, before the coming into force of these regulations, that a person was entitled to apply for under the repealed regulations immediately prior to their repeal, but is not entitled to apply for under these regulations, may be applied for and shall be paid in accordance with the repealed regulations as if they had not been repealed.