
Title Instructions for the Reporting of Volume Adjustments on Fuel Distributor Returns

Overview Volume adjustments are reported on the prescribed fuel tax return forms on Line 11, prior to the incidence of tax.

Legislation or Regulation *Fuel Oil Tax Act* Section 15 and
Fuel Oil Tax Regulations Section 12

Definitions **Distributor:** a person who imports into the Yukon, manufactures, or sells fuel oil to a seller for resale.

Duty of Distributor: a distributor must remit to the Minister, not later than the twenty fifth day of each month, all tax received in respect of the next preceding month; and submit returns in the prescribed form not later than the twenty fifth day of each month.

Volume Adjustment: allowable volume adjustment prior to incidence of tax.

Book Adjustment: an adjustment to books itemizing changes in physical inventory volume with no physical movement of the product.

Shrinkage: a variance in the volume of accountable product sold or available for sale, as a result of temperature or pressure variances, evaporation or normal handling losses. Note: if fuel is temperature corrected, there is minimal shrinkage due to temperature or pressure variations.

Unverifiable Gains/Losses: an adjustment to inventory that cannot be verified as sold, lost, destroyed, stolen, contaminated, consumed or distributed.

Verifiable Losses: accountable fuel losses that can be verified and proven.

Requirements

Fuel Distributors are required to complete and submit a monthly fuel tax return on prescribed forms, which includes the reporting of any volume adjustments for the reporting period.

Verifiable volume adjustments, must be reported on Line 11 of summary forms FTD-TAX and FTG-TAX.

Unverifiable volume adjustments (unproven) will not be allowed and are considered taxable volumes.

If volume adjustments are claimed an explanation and a schedule detailing each adjustment must be provided. A "Volume Adjustment Schedule" or equivalent must be included with all fuel tax returns.

Allowable volume adjustments may include: shrinkage, overage, spills, slop, flushes, theft, fire, and volumes associated with balancing book inventory to physical inventory such as temperature adjustments or evaporation.

Claims for uncollectible accounts, customer bankruptcy, receivership or insolvency must be applied for separately by submitting a refund request. See Bulletin #FOTA003 for further information.

For further information contact:

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The Fuel Oil Tax Act and regulations are on our website at: <http://www.gov.yk.ca/legislation/>.