



Canadian International  
Trade Tribunal

Tribunal canadien du  
commerce extérieur

CANADIAN  
INTERNATIONAL  
TRADE TRIBUNAL

# Appeals

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## DECISION AND REASONS

Appeal No. AP-2012-016

Can-Am Logistics Inc.

v.

Minister of National Revenue

*Decision and reasons issued  
Friday, February 22, 2013*

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IN THE MATTER OF an appeal pursuant to section 81.19 of the *Excise Tax Act*, R.S.C. 1985, c. E-15;

AND IN THE MATTER OF a decision of the Minister of National Revenue, dated October 28, 2011, with respect to notices of objection served pursuant to section 81.17 of the *Excise Tax Act*;

AND IN THE MATTER OF the parties' written consent to a decision disposing of the appeal without an oral hearing pursuant to rule 45 of the *Canadian International Trade Tribunal Rules*, S.O.R./91-499.

**BETWEEN**

**CAN-AM LOGISTICS INC.**

**Appellant**

**AND**

**THE MINISTER OF NATIONAL REVENUE**

**Respondent**

**DECISION**

The appeal is allowed. The Tribunal refers the matter back to the Minister of National Revenue for reassessment and reconsideration on the basis that Can-Am Logistics Inc. paid an amount of \$40,454.23 of tax in respect of diesel fuel exported from Canada and is allowed to receive a payment equal to that amount pursuant to section 68.1 of the *Excise Tax Act*.

Stephen A. Leach  
Stephen A. Leach  
Presiding Member

Serge Fréchette  
Serge Fréchette  
Member

Jason W. Downey  
Jason W. Downey  
Member

Eric Wildhaber  
Eric Wildhaber  
Secretary

Tribunal Members: Stephen A. Leach, Presiding Member  
Serge Fréchette, Member  
Jason W. Downey, Member

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**PARTICIPANTS:**

**Appellant**

Can-Am Logistics Inc.

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Mark E. Wallace

**Respondent**

Minister of National Revenue

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## STATEMENT OF REASONS

### BACKGROUND

1. This is an appeal pursuant to section 81.19 of the *Excise Tax Act*<sup>1</sup> from a decision of the Minister of National Revenue (the Minister), dated October 28, 2011, with respect to notices of objection served pursuant to section 81.17.

2. This decision dismissed applications made by Can-Am Logistics Inc. (Can-Am) for refunds of excise tax paid on diesel fuel purchased in Canada but exported to the United States between January 2001 and March 2002. The Minister dismissed the applications because the information provided by Can-Am did not meet the documentary requirements of the *Act*.

3. The issue in this appeal is whether Can-Am is entitled to a refund of excise tax paid in respect of goods that have been exported from Canada pursuant to subsection 68.1(1) of the *Act*.

### ANALYSIS

4. Subsection 68.1(1) of the *Act* allows a person to apply, within a specified time frame, for a refund of excise tax paid in respect of goods that have been exported from Canada. It provides as follows:

**68.1(1)** Where tax under this Act has been paid in respect of any goods and a person has, in accordance with regulations made by the Minister, exported the goods from Canada, an amount equal to the amount of that tax shall, subject to this Part, be paid to that person if that person applies therefor within two years after the export of the goods.

**68.1(1)** Lorsque la taxe prévue par la présente loi a été payée sur des marchandises qu'une personne a exportées du Canada en conformité avec les règlements pris par le ministre, un montant égal à cette taxe est, sous réserve des autres dispositions de la présente partie, payé à la personne si elle en fait la demande dans les deux ans suivant l'exportation des marchandises.

5. Pursuant to subsection 68.1(3), a refund of excise tax is, in principle, not available in respect of diesel fuel transported out of the country in the fuel tank of a vehicle. Subsection 68.1(3) provides as follows:

**68.1(3)** For greater certainty, no amount is payable to a person under subsection (1) in respect of tax paid on gasoline or diesel fuel transported out of Canada in the fuel tank of the vehicle that is used for that transportation.

**68.1(3)** Il est entendu qu'aucun montant n'est à payer à une personne aux termes du paragraphe (1) au titre de la taxe payée sur l'essence ou le combustible diesel qui est transporté en dehors du Canada dans le réservoir à combustible du véhicule qui sert à ce transport.

6. However, subsection 68.1(3) of the *Act* only applies in respect of applications for refund received by the Minister after February 17, 2003.<sup>2</sup>

7. Therefore, in summary, an application for a refund of excise tax paid in respect of exported diesel fuel must be made within two years after the export of the goods. In the case of diesel fuel transported out of Canada in the fuel tank of a vehicle used for that transportation, the application must also have been made on or before February 17, 2003.

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1. R.S.C. 1985, c. E-15 [*Act*].

2. See subsection 63(2) of the *Budget Implementation Act, 2003*, S.C. 2003, c. 15.

8. On December 13, 2012, the parties filed with the Tribunal a written consent to a decision disposing of the appeal. On December 17, 2012, and January 2, 2013, with the consent of the Canada Border Services Agency, counsel for Can-Am requested that the Tribunal dispose of the appeal without an oral hearing pursuant to rule 45(a) of the *Canadian International Trade Tribunal Rules (the Rules)*<sup>3</sup> in accordance with the previously filed written consent to a decision.

9. In accordance with the consent filed by the parties and its powers under rule 45 of the *Rules*, the Tribunal hereby disposes of the appeal without an oral hearing.

## DECISION

10. The appeal is allowed and the matter is referred back to the Minister for reassessment and reconsideration on the basis that Can-Am paid an amount of \$40,454.23 of tax in respect of diesel fuel exported from Canada and is allowed to receive a payment equal to that amount pursuant to section 68.1 of the *Excise Tax Act*, as detailed below:

Period	Notice of Determination	Amount in Dispute	Amount Allowed	Amount Denied
January 2001 to March 2001	20050304SOR101	\$1,443.48	\$1,443.48	0
April 2001 to June 2001	20050304SOR104	\$7,874.68	\$7,874.68	0
July 2001 to December 2001	20050304SOR102	\$19,985.15	\$19,985.15	0
January 2002 to March 2002	20050304SOR103	\$11,150.92	\$11,150.92	0
<b>Total</b>		<b>\$40,454.23</b>	<b>\$40,454.23</b>	<b>0</b>

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Presiding Member

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Member

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Member

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3. S.O.R./91-499.