

Tax Refund for Power Takeoff Equipment in Ontario

What is Power Takeoff (PTO) Equipment?

Power take-off equipment is qualifying auxiliary equipment added to a licensed motor vehicle that uses clear diesel fuel, gasoline or propane from the vehicle's fuel tank(s). Examples of power take-off applications include but are not limited to:

- Running a water pump on a fire engine or water truck
- Running a truck mounted hot water extraction machine for carpet cleaning (driving vacuum blower and high-pressure solution pumps)
- Powering a blower system used to move dry materials such as cement
- Raising a dump truck bed
- Operating the mechanical arm on a bucket truck used by electrical maintenance personnel or Cable TV maintenance crews
- Operating a winch on a tow truck
- Operating the compactor on a garbage truck
- Operating a Hiab/Grapple truck

Monitor PTO with GoFleet's IOX-AUX cable for auxiliary sensor monitoring

GoFleet offers a cable that integrates PTO sensor monitoring with its Geotab telematics solution. The IOX-AUX facilitates advanced sensor monitoring using an On/Off built-in logic, enabling Fleet Managers to monitor PTO activity for an entire fleet through a single, web-based portal. Fleet Managers are notified of specific sensor events by setting up custom alerts in the central monitoring software, MyGeotab.



IOX-AUX PTO
Monitoring Cable

Reports on PTO data

PTO sensor data is arranged into reports on MyGeotab. Reports are based on exception rule violations and can be filtered by driver, location, duration, and so on.



Please click [here](#) for more information on the IOX-AUX auxiliary sensor monitoring cable for more information.

Are you eligible for a refund?

If you paid tax on fuel used in Ontario to operate power take-off equipment, you may be able to receive a refund.

To get a power take-off tax refund, you have to:

- use the power take-off equipment in Ontario
- use fuel from the licensed vehicle's operating fuel tank to run the power take-off equipment
- not use the power from the power take-off equipment to drive the motor vehicle
- not use the motor vehicle in any way to transport passengers
- not use the power take-off equipment for personal use, pleasure or recreation
- have paid fuel tax to Ontario

You must apply for a refund within four years of paying the fuel tax.

If you are licensed under the [International Fuel Tax Agreement](#) and if you meet all the above conditions, you may get a power take-off tax refund. However, the amount of your refund will be calculated on the total distance travelled in Ontario.



Calculate your Refund

IFTA licensed carriers may calculate their PTO tax refund as follows:

1. Using a metering device or an Ontario Ministry of Finance-approved PTO allowance, determine the amount of fuel consumed by PTO equipment in the Province of Ontario.
(**Note** Fuel consumed by PTO equipment in another jurisdiction does not qualify for a refund of Ontario tax.)
2. For the relevant claim period, calculate the ratio of Ontario distance travelled to the total distance travelled in all jurisdictions as reported on the claimant's IFTA Quarterly Tax Return(s).
3. Multiply the ratio calculated in no. 2 above by the total amount of PTO fuel consumed in Ontario (as calculated in no. 1 above).
4. Multiply the result in no. 3 above by the applicable Ontario tax rate.

Example

For the reporting period October 1, 1999 to December 31, 1999, an IFTA licenced carrier reports a total distance of 10,000 km in all jurisdictions, of which 2000 km represents the distance travelled in Ontario. While in Ontario, the carrier uses fuel to operate PTO equipment. The tax rate on the fuel used is 14.3 cents per litre. The carrier calculates the Ontario PTO tax refund as follows:

1. In accordance with Ministry-approved PTO allowances, the carrier determines that 1000 litres of fuel were consumed by PTO equipment operated in Ontario.
2. The carrier establishes that the percentage of Ontario travel is 20% ($2000 \text{ km} / 10,000 \text{ km} = 20\%$).
3. The carrier multiplies the number of litres consumed in PTO operations in Ontario by the percentage of Ontario travel to arrive at an amount of 200 litres ($1000 \text{ litres} \times 0.20 = 200 \text{ litres}$).
4. The carrier then multiplies the result in no. 3 above by the tax rate in the amount of 14.3 cents per litre to arrive at a PTO tax refund amount of \$28.60 ($200 \text{ litres} \times \$0.143 = \$28.60$).



How do I get the refund?

- 1) Download and complete the [Application for Refund Auxiliary Power Take Off \(PTO\) Equipment](#).
- 2) Complete the application and mail it to the Ministry of Finance. Keep one copy for your records.

Ministry of Finance
Motor Fuels and Tobacco Tax
33 King Street West
PO Box 625
Oshawa ON L1H 8E9

For refunds over \$500

If the total of all refunds for a calendar year exceeds \$500:

- Include all supporting documents with your application.
- Keep copies of all records for seven years for audit purposes.

For refunds under \$500

If the total of all refunds for a calendar year does not exceed \$500:

- You do not need to send supporting documents with your application.
- Keep your records for seven years in case the ministry audits you.

Records and Receipts

You must keep accurate records of your fuel and gas purchases to support your refund claim, including purchase invoices, receipted by your supplier.

The invoices must show:

- the name and address of the seller
- the selling price per litre
- the quantity of product sold
- the date of the sale

Important: Keep all records to support your refund claim for seven years after you apply. If the ministry selects you for an audit, an auditor will verify your claim by checking your records.