

Ministry of Finance

Tax Information Notice



ISSUED: May 2010

HST Notice # 11

www.fin.gov.bc.ca/rev.htm

Multijurisdictional Vehicle (MJV) Tax

Notice for Commercial Motor Carriers/Owner-Operators

On July 23, 2009, BC announced its plans to eliminate the Provincial Sales Tax (PST) and the Hotel Room Tax, and implement a Harmonized Sales Tax (HST) for BC. To coincide with the elimination of the PST, the MJV tax is eliminated effective July 1, 2010.

This notice provides information on the application of MJV tax during the period prior to July 1, 2010. It does not include comprehensive information on the specific tax application. For more information on the specific tax application of MJV tax, please see [Bulletin SST 073, Multi-Jurisdictional Vehicles](#) at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/bulletins.htm

Under the *Social Service Tax Act* (SSTA), purchasers of multijurisdictional vehicles are not required to pay the 7% PST at the time of purchase. Instead, the MJV tax is payable at the time of acquisition and on each renewal of the vehicle's licence. The MJV tax is substantially less than the 7% PST, as the tax is payable over time and is based on a proportional formula which takes into account the travel by the vehicle in the province. As a result, the total MJV tax paid on a vehicle prior to July 1, 2010, may be substantially less than the PST that would have otherwise been payable.

Application of MJV Tax Prior to July 1, 2010

Prior to July 1, 2010, the MJV tax must be applied to a full vehicle licence year (12 months) even when a part of that year is on or after July 1, 2010, unless:

- The vehicle was licensed in another jurisdiction but the tax is not paid until the vehicle first enters British Columbia part way through the licence year; or
- The licensing is a result of the vehicle changing from one fleet to another and the new fleet's licence year is partially complete.

As the formula for calculation of the MJV tax under the SSTA generally does not allow for proration of the tax, and is based on a full vehicle licence year, the MJV tax must not be prorated in any other circumstance.

Elimination of MJV Tax Effective July 1, 2010

Vehicles that have a licence year beginning on or after July 1, 2010, will not be subject to the MJV tax on registrations and renewals of licences, nor will vehicles that cease to be registered under the IRP on or after July 1, 2010, be subject to the PST (i.e. there will be no exit tax).

Refunds

Certain existing refunds may still be available after July 1, 2010, for transactions occurring before July 1, 2010, including refunds for

- trade-in vehicles,
- replacement vehicles, or
- short-term rental vehicles.

To claim a tax refund complete the *Application for Refund of Social Service Tax in Relation to Multi-Jurisdictional Vehicles* form (**FIN 413/MJV**). Send the completed form and the supporting documentation to the Ministry at the address indicated on the application form. The form is available from the ministry or from Service BC Centres. You will also find it on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/forms.htm

Further Information

General information about the introduction of the HST in British Columbia can be found at www.gov.bc.ca/hst

For information on the application of the HST, please visit the Canada Revenue Agency website at www.cra-arc.gc.ca/tx/pstr/trnstnl/prsnl/menu-eng.html

For questions about the HST general transitional rules, or if you wish to make a technical enquiry on the GST/HST by telephone, please contact the Canada Revenue Agency at 1-800-959-5525.