



## Boats

### Provincial Sales Tax Act

---

Latest Revision: *The revision bar ( | ) identifies changes to the previous version of this bulletin dated February 2014. For a summary of the changes, see Latest Revision at the end of this document.*

---

This bulletin explains how PST applies to boats.

### Table of Contents

Overview.....	1
PST on Boats .....	2
Boat Sellers and Lessors.....	5
Exemptions.....	6
Change of Use.....	11
Chartering and Leasing .....	12
Related Services .....	13
Refunds .....	13

### Overview

---

You must pay PST on boats you purchase, lease or receive as a gift in BC, and boats you purchase, lease or receive as a gift outside BC and bring or send into BC, unless a specific exemption applies (see Exemptions below). You must pay PST, regardless of whether the boat is for personal or business use. The rate of PST you are required to pay is 7% or 12%, depending on how the boat is acquired.

You must also pay PST on goods that, at the time the boat is purchased or leased, are or will be attached to, stored in, or used in connection with the operation of the boat (e.g. motors, water sport equipment and fishing gear), unless a specific exemption applies. The PST rate for these goods is the same PST rate applicable to the boat, even if the goods are billed separately.

To ensure PST has been paid on all sales of boats, the ministry routinely reviews the records of Transport Canada and matches changes in registered ownership with PST payments. Therefore, when you purchase a boat, you may be contacted by the ministry to confirm you paid PST.

## Definitions

In this bulletin:

- a **BC resident** is a person who resides, ordinarily resides or carries on business in BC, or a person who enters BC with the intention of residing or carrying on business in BC
- a **boat** means any type of new or used vessel or other craft. Boats include personal watercraft and recreational watercraft, including those propelled by oars, paddles, sails, engines, water jets or other engines, and those with no means of self-propulsion, such as barges. A boat does not include portable floating structures (e.g. float homes) as described in [Bulletin PST 133](#), *Manufactured Buildings*
- **obtain** means:
  - purchased or leased in BC,
  - brought or sent into BC,
  - received in BC, or
  - received as a gift.
- a **private sale** is a sale in Canada where the seller is not a GST registrant, or the seller is a GST registrant but the sale is not a taxable supply under the *Excise Tax Act* (Canada).

## PST on Boats

---

### Boats Purchased at a Private Sale in BC

If you purchase a boat at a private sale in BC, you must pay PST at the rate of 12% of the purchase price of the boat, including accessories, unless a specific exemption applies. For information on how to pay the PST, see [Paying the PST](#) below.

### Boats Purchased in BC from GST Registrants

If you purchase a boat in BC from a GST registrant (e.g. a boat dealer), you must pay PST at the rate of 7% on the purchase price of the boat, including accessories, unless a specific exemption applies.

### Leased Boats

If you lease a boat in BC, you must pay PST at the rate of 7% on the lease price of the boat, including accessories, unless a specific exemption applies.

If you lease a boat outside BC and bring or send the boat into BC for use during a rental period, you must self-assess 7% PST based on the number of hours the boat is in BC during the rental period. This requirement only applies if you are a BC resident or use a boat in BC in the course of your business. For more information, including how to calculate the amount of PST that must be self-assessed, see [Bulletin PST 315](#), *Rentals and Leases of Goods*.

If you lease a boat with an operator, such as an on-board skipper, guide, crew or instructor, you do not pay PST.

### Boats Acquired Outside of BC and Brought into BC

Unless a specific exemption applies, PST is payable on a boat acquired outside of BC and brought, sent or received in BC by:

- a BC resident,
- a person who is not a BC resident if the boat is for use or consumption:

- by a BC resident, or
- by the person who is not a BC resident, or by another person, at the expense of a BC resident.

You pay PST (see PST Rates below) on the total amount you pay to receive title to the boat, including the purchase price and charges for transportation, brokerage fees, customs, excise and any other costs, except the GST.

If you received the boat as a gift, see Boats Received as a Gift below.

### **PST Rates**

If you purchase a boat at a private sale outside BC but within Canada and bring it into BC, you must pay PST at the rate of 12% on the depreciated purchase price of the boat (see Depreciated Purchase Price below), including accessories.

If you purchase a boat outside BC but within Canada as a taxable supply from a GST registrant (e.g. a boat dealer) and bring it into BC, you must pay PST at the rate of 7% on the depreciated purchase price of the boat, including accessories.

If you bring a boat into BC from outside Canada, you must pay PST at the rate of 7% on the taxable value of the boat. The taxable value is the value of the boat as determined under the *Excise Tax Act* (Canada). The Canada Border Services Agency may collect the PST due when you bring the boat into Canada. If not, you must self-assess the PST due (see Paying the PST below).

### **Depreciated Purchase Price**

The **depreciated purchase price** of a boat is the greater of:

- the depreciated value (as calculated below), and
- 50% of the purchase price.

The **depreciated value** is determined as follows:

$$\text{Depreciated value} = \text{Purchase price} - [\text{purchase price} \times \text{depreciation rate}]$$

The depreciation rate for a boat, and equipment mounted on the boat, is the total of the following:

- 15% per year, plus
- 1.25% per 30-day period for partial years.

To calculate the depreciation rate, follow these steps:

1. Calculate the number of whole years between the date you acquired the boat and the date you brought the boat into BC.
2. After calculating #1 above, calculate the number of days remaining in the partial year (if any) between the date you acquired the boat and the date you brought the boat into BC. Both the first and last days should be counted.
3. Divide the number of days calculated under #2 by 30 and round to the nearest whole number (0.5 and above is rounded up to 1). This is the number of 30-day periods.
4. Calculate the depreciation rate by multiplying the applicable rates above by the number of years and 30-day periods.

For example, you purchased a boat at a private sale in Alberta on May 12, 2013 and brought it into BC for business use on June 30, 2014:

1. May 12, 2013 to May 11, 2014 is one whole year
2. May 12, 2014 to June 30, 2014 is 50 days
3. The number of 30-day periods is  $50 \div 30 = 1.667$  rounded up to 2
4. The depreciation rate is  $[(1 \times 15\%) + (2 \times 1.25\%)] = 17.5\%$

## Boats Received as a Gift

If you receive a boat as a gift in BC, or you receive a boat as a gift outside BC but within Canada and bring or send the boat into BC, you must pay PST at the rate of 12% on the value of the boat as outlined below, unless a specific exemption applies (see Exemptions below).

- For boats received as a gift in BC, PST applies on the fair market value of the boat on the date the boat is received as a gift.
- For boats received as a gift outside BC but within Canada, that are brought or sent into BC, PST applies on the fair market value of the boat on the date the boat is brought or sent into BC.

However, you are only required to pay PST at the rate of 7% if any of the following apply:

- the gift is received from a GST registrant (e.g. a boat dealer) as a taxable supply,
- the gift was received as an exempt supply from a GST registrant who is a charity, or
- the gift was received outside of Canada and brought or sent into BC.

## Trade-Ins

If you purchase a boat in BC and the seller accepts goods as a trade-in as part of the consideration, for the purposes of calculating the PST, the value of the trade-in may reduce the purchase price of the boat. The reduction applies as long as you paid (or were exempt from) one of the following applicable taxes on the goods traded-in:

- PST (under the *Provincial Sales Tax Act*)
- Tax on designated property (TDP) (under the *Consumption Tax Rebate and Transition Act*)
- BC portion of the HST
- PST (under the *Social Service Tax Act*)

For the purposes of calculating the PST, there is no purchase price reduction for boats purchased outside BC, or lease price reductions for trade-ins on leased boats. For example, you take your BC boat to Alberta to trade it in on a new boat you plan to purchase in Alberta and bring back to BC. In this case, you cannot use your trade-in credit to reduce the PST payable on the new boat when it is brought or sent into BC.

## Paying the PST

If you purchase or lease a boat from a collector (i.e. a person who is registered to collect PST), the collector will collect any PST payable on the boat. In all other cases, you must self-assess the PST due.

If you have a PST number, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due by using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month in which you obtained the boat.

## Boat Trailers

Boats and trailers are often purchased together. If you did not pay PST on the trailer at the time of purchase, the Insurance Corporation of British Columbia (ICBC) will charge you PST on the trailer when you register it. Keep your receipt and the *Transfer/Tax Form* (APV9T) from ICBC as proof you paid PST on the trailer.

## Boat Sellers and Lessors

---

This section applies to your business if you are a collector and a GST registrant, and you sell or lease boats.

### Sales and Leases in BC

You must charge 7% PST on the purchase price or lease price of new or used boats you sell or lease in BC, unless a specific exemption applies (see Exemptions below). This includes when you sell or lease boats:

- to persons who are not BC residents if the sale or lease takes place in BC, or
- on consignment.

You also charge PST on any accessories you sell or lease, including goods that are, or are intended to be, attached to, stored in or used in conjunction with a boat, such as a motor, trailer or water sports equipment, unless a specific exemption applies.

### Trade-Ins on Boat Purchases

If you sell a boat in BC and accept goods as a trade-in as part of the consideration, for the purposes of calculating the PST, the value of the trade-in may reduce the purchase price of the boat. The reduction applies as long as your customer paid (or was exempt from) one of the following applicable taxes on the goods traded-in:

- PST (under the *Provincial Sales Tax Act*)
- Tax on designated property (TDP) (under the *Consumption Tax Rebate and Transition Act*)
- BC portion of the HST
- PST (under the *Social Service Tax Act*)

The purchaser must provide you with documentation proving they are eligible for the PST reduction (e.g. original bill of sale, invoice, self-assessment voucher from the ministry).

For the purposes of calculating the PST, there is no purchase price reduction for boats purchased outside BC, or lease price reductions for trade-ins on leased boats. Therefore, a trade-in accepted as a down payment on a lease or as a partial payment against future lease payments does not reduce the amount of PST payable by the lessee. PST is payable on the down payment and on the unreduced lease price.

### Exempt Sales and Leases

Some of your customers may be eligible for an exemption on the sale or lease of a boat (e.g. qualifying commercial fishers). For information on exempt sales and leases of boats, including what information or documentation you are required to collect in order to provide an exemption, see Exemptions below.

If your customer has paid PST and would not have been required to pay PST if they had provided the required information or document to support an exemption at the time of the sale or lease, you may refund or credit your customer the PST paid if they provide the required information or document within 180 days of the date the tax was paid. Alternatively, your customer may apply to the ministry for a refund at any time within 4 years of the date the tax was paid. For more information on refunds, see Refunds below.

## Documenting Sales

You must record all boat sales on either a *Provincial Sales Tax (PST) Schedule – Boats and Aircraft* or alternative document (see below), and include it when you file your *PST return*. This includes taxable and exempt boat sales, including boats you deliver outside of BC.

You can file the schedule and pay your tax returns:

- online using [eTaxBC](#), or
- by mail, courier or in person using the paper *Provincial Sales Tax (PST) Schedule – Boats and Aircraft* ([FIN 407](#)) available on our website.

If you choose to develop your own document or spreadsheet as an alternative to the [FIN 407](#), please ensure the information requested in each field on the form is included in your document or spreadsheet.

## Boat Brokers

Brokers must register to collect PST if they sell boats from their resale inventory or if they sell boats on consignment.

However, a broker who only provides services to market a boat and find a purchaser for the boat in exchange for a fee is not required to collect and remit the PST either on those services or on the boat owner's sale of the boat. The broker is providing a non-taxable service to the boat owner. If the boat owner is a PST collector, the boat owner must collect and remit the PST payable on the sale. If the boat owner is not a PST collector, the purchaser of the boat must self-assess and pay the PST.

## Exemptions

---

This section applies to persons who purchase or lease boats.

If you are claiming an exemption on the purchase or lease of a boat, you may be required to provide information or documentation to support your claim. You need to keep the information and/or documentation that supports your claim for an exemption because the ministry regularly contacts boat owners and lessors to ensure they have either paid PST as required or claimed a valid exemption.

If you do not provide the required information or documentation at the time of sale or lease, the seller or lessor may refund or credit you the PST paid if you provide the required information or document within 180 days of the date the tax was paid. Alternatively, you may apply to the ministry for a refund of the PST at any time within 4 years of the date the tax was paid (see Refunds below).

## Boats for Resale or Lease

You do not pay PST on boats and other goods you obtain solely for resale or for leasing to other persons. To support the exemption, you must provide your PST number or, if you have not yet registered, a *Certificate of Exemption – General* ([FIN 490](#)).

If you purchase or lease a boat for leasing to other persons and occasionally use the boat for chartering, see Boats Obtained for Leasing that are Occasionally Used for Chartering below.

## Boats Shipped Outside BC

If you purchase a boat in BC, you do not pay PST at the time of purchase if:

- the boat is to be shipped by the seller for delivery outside BC, **and**
- no use is to be made of the boat by you while the boat is in BC except storage of the boat with the seller.

You may be asked by the ministry to provide documentation proving that the boat was shipped outside BC by the seller (e.g. bill of lading, shipping documentation etc).

**Please note:** If you later bring, send or receive delivery of the boat in BC, you must self-assess PST, unless a specific exemption applies (see Boats Acquired Outside of BC and Brought into BC above).

To support the exemption, the seller (registered collector) must keep documentation that shows they delivered the boat outside BC, such as a bill of lading, third-party delivery documents or shipping invoices. Sellers may also use the *Out-of-Province Delivery Exemption* form ([FIN 462](#)) to record the boats they delivered to a location outside BC. The **FIN 462** is an optional form that may be used in addition to the required documentation described above.

## Boats Brought into BC by Non-Resident Individuals

For the purposes of this exemption, a **non-resident** is a person who does not reside, ordinarily reside or carry on business in BC and who:

- owns real property in BC, or
- leases, as lessee, real property in BC if the term of the lease, including the cumulative total of all options and rights to extend or renew that lease, is at least five years.

Non-residents generally must pay PST on all goods they bring, send or receive delivery of in BC. However, if you are a non-resident individual and bring a boat into BC solely for non-business purposes, you do not pay PST on the boat. You may be asked by the ministry to provide documentation proving you are a non-resident of BC (e.g. a medical plan card from another province).

If you later use the boat for a business purpose in BC at any time, you must self-assess PST. For more information on self-assessing PST on change in use, see Change in Use below.

## Parts and Services

The exemption for non-resident individuals does not extend to parts brought into BC for use. Parts purchased out-of-province and brought into BC before being installed are taxable on the total amount paid for the part, including customs and excise charges. Parts purchased in BC by non-residents are also taxable, even if the boat was brought into BC exempt from PST as described in this section.

PST also applies to services provided to boats in BC, even if the boat was brought into BC exempt from PST as described in this section. For more information, see Related Services below.

For more information on the application of PST to goods brought into BC by non-residents, see [Bulletin PST 309](#), *PST and Non-Residents*.

## Commercial Fishers

If you are a qualifying commercial fisher, you do not pay PST on boats you obtain solely for a commercial fishing purpose. You also do not pay PST on parts designed for these boats or on related services provided to these boats. The exemption does not include generic parts and materials you use to repair these boats.

To support the exemption, you must provide a completed *Certificate of Exemption – Commercial Fisher* ([FIN 455](#)). You may be contacted by the ministry to confirm you meet the criteria as a qualifying commercial fisher.

For more information on exemptions for qualifying commercial fishers, see [Bulletin PST 102](#), *Commercial Fishers*.

## Aquaculturists

If you are a qualifying aquaculturist, you do not pay PST on boats not exceeding 20 metres in length, and on motors for those boats, you obtain solely for an aquaculture purpose. You also do not pay PST on parts designed for these boats and motors, or on related services provided to these boats and motors. The exemption does not include generic parts and materials you use to repair these boats and motors.

To support the exemption, you must provide a completed *Certificate of Exemption – Aquaculturist* ([FIN 456](#)). You may be contacted by the ministry to confirm you meet the criteria as a qualifying aquaculturist.

For more information on exemptions for qualifying aquaculturists, see [Bulletin PST 103](#), *Aquaculturists*.

## Vessels of More than 500 Tons

You do not pay PST on purchases or leases of self-propelled vessels of more than 500 tons gross.

You also do not pay PST on ships' stores, except liquor, delivered to commercial vessels of more than 500 tons gross that normally operate in extraterritorial waters.

## New Residents

If you are a new resident to BC and you bring a boat into BC solely for non-business use, you do not pay PST if:

- the boat arrives in BC within 1 year of you becoming a resident of BC, and
- you owned the boat for at least 30 days before you became a resident of BC.

**Please note:** Different rules apply if a boat was brought into BC before February 19, 2014. For more information, please contact us.



## Documentation

You may be asked by the ministry to provide proof you owned the boat for at least 30 days before you became a resident of BC (e.g. a bill of sale) and documentation proving the date you became a resident of BC (e.g. medical services plan enrolment).

For more information on the exemption for goods brought, sent or received in BC by new residents, see [Bulletin PST 306](#), *Goods Brought Into BC by New Residents*.

## Gifts to Related Individuals

If you receive a boat as a gift, you do not pay PST on the boat if the person who gave you the boat (the donor) is a related individual to you and the donor:

- paid one of the following taxes on the purchase of the boat and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
  - PST (under the *Provincial Sales Tax Act*),
  - Tax on designated property (TDP) (under the *Consumption Tax Rebate and Transition Act*),
  - a provincial portion of the HST,
  - PST (under the *Social Service Tax Act*), or
  - sales tax of another province,
- was exempt from PST (under the *Provincial Sales Tax Act*), TDP (under the *Consumption Tax Rebate and Transition Act*) or PST (under the *Social Service Tax Act*) that would have otherwise been payable, or
- received the boat as a gift in BC prior to April 1, 2013.

**Please note:** Only one gift of a specific boat between related individuals is eligible for exemption in a 12-month period. PST will apply to any future gifts of that boat within 12 months. The only exception to the 12-month rule is if a gift boat is gifted back from the recipient to the donor.

A related individual is:

- a person's spouse, child, grandchild, great grandchild, parent, grandparent, great grandparent, or sibling,
- the spouse of a person's child, grandchild or great grandchild, or
- the child, parent, grandparent or great grandparent of a person's spouse.

## Documentation

You may be asked by the ministry to provide a copy of a gift letter from the donor that includes the donor's full name, address, telephone number, their relationship to you and information about the applicable tax that was paid on the boat. You may also be asked to provide proof the donor paid, or was exempt from, an applicable tax or received the boat as a gift prior to April 1, 2013.

If a trailer is also gifted, you and the donor must complete the *Gift of a Vehicle* form ([FIN 319](#)) for the trailer and, in the case of trailers brought into BC from outside BC, provide proof of payment of the applicable tax. If the donor was exempt from the applicable tax, they will be required to provide specific information on the gift form or letter.

## Gifts to Registered Charities

If you are a registered charity and you have received a boat as a gift, you do not pay PST on the boat if the person who gave you the boat (the donor):

- paid one of the following taxes on the boat and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
  - PST (under the *Provincial Sales Tax Act*),
  - Tax on designated property (TDP) (under the *Consumption Tax Rebate and Transition Act*),
  - a provincial portion of the HST,
  - PST (under the *Social Service Tax Act*), or
  - sales tax of another province, or
- was exempt from PST (under the *Provincial Sales Tax Act*), TDP (under the *Consumption Tax Rebate and Transition Act*) or PST (under the *Social Service Tax Act*) that would have otherwise been payable, or
- received the boat as a gift in BC prior to April 1, 2013.

A registered charity has the same meaning as under the *Income Tax Act* (Canada).

## Documentation

You may be asked by the ministry to provide a copy of a gift letter from the donor that includes the donor's full name, address, telephone number and information about the applicable tax that was paid on the boat. You may also be asked to provide proof the donor paid, or was exempt from, an applicable tax or received the boat as a gift prior to April 1, 2013.

## Prizes, Draws and Awards

You do not pay PST on a boat if you won the boat in a lottery, contest, game of chance or skill, or a draw, or you received the boat as an award for an achievement in a field of endeavor, including an athletic or sporting event, and the person who provided the boat:

- paid one of the following taxes on the boat and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
  - PST (under the *Provincial Sales Tax Act*),
  - Tax on designated property (TDP) (under the *Consumption Tax Rebate and Transition Act*),
  - a provincial portion of the HST,
  - PST (under the *Social Service Tax Act*), or
  - sales tax of another province, or
- was exempt from PST (under the *Provincial Sales Tax Act*), TDP (under the *Consumption Tax Rebate and Transition Act*) or PST (under the *Social Service Tax Act*) that would have otherwise been payable, or
- received the boat as a gift in BC prior to April 1, 2013.

**Please note:** The lottery must be a lawful lottery within the meaning of section 207 of the *Criminal Code*. In addition, the only consideration that can be provided by the winner to be entered into the draw is an entrance or admission fee, ticket fee or similar charge.

## Documentation

You may be asked by the ministry to provide a copy of a letter from the sponsor of the draw, lottery or award indicating you are the winner and the prize won, and proof the provider of the boat paid, or was exempt from, an applicable tax or received the boat as a gift prior to April 1, 2013.

## Inheritance

If you receive a boat as part of the distribution of a deceased's estate, you do not pay PST on the boat. You may be asked by the ministry to provide a copy of the death certificate and will.

## Transfers Due to Dissolution of Marriage

If a boat is transferred to you from your spouse, or your former spouse, because of the dissolution of marriage or marriage-like relationship, you do not pay PST on the boat. The transfer must be done under a written separation agreement, a marriage agreement, a court order, or an agreement under Part 5 or 6 of the *Family Law Act*.

You may be asked by the ministry to provide a copy of the relevant agreement or court order.

## Related Party Asset Transfers

If a corporation acquires a boat on or before the day the corporation starts to carry on business from a person (the transferor) that wholly owns and controls the corporation, the corporation may qualify for an exemption from PST on the acquisition if certain conditions are met.

Alternatively, if a corporation transfers a boat to a related corporation, the corporation may qualify for an exemption from PST if certain conditions are met.

For more information, see [Bulletin PST 210](#), *Related Party Asset Transfers*.

## Other Exemptions

Other exemptions may also apply to boats obtained by a specific person in specific situations, including boats obtained by:

- members of the diplomatic or consular corps (see [Bulletin CTB 007](#), *Exemption for Members of the Diplomatic and Consular Corps*)
- First Nations individuals or bands (see [Bulletin PST 314](#), *Exemptions for First Nations*)
- the federal government (see [Bulletin CTB 002](#), *Sales and Leases to Governments*)

## Change of Use

---

If you qualified for a PST exemption when you obtained a boat, and you later use the boat for a taxable purpose, you must self-assess PST.

If you purchased the boat, you calculate the PST due on the depreciated value of the boat or 50% of the purchase price, whichever is greater. For more information on calculating the depreciated value, see [Depreciated Purchase Price](#) above.

The requirement to self-assess PST also applies if, in relation to a purchase of a boat, you were not subject to the 12% TDP between July 1, 2010 and March 31, 2013 for a specific reason (e.g. the boat was acquired for resale or was exempt for commercial fishing purposes), and on or after April 1, 2013, you use the boat for a taxable purpose.

If you leased the boat, PST applies to a prorated portion of the lease payment for the rental period in which the change of use occurs, and to the full amount of all remaining lease payments. To calculate PST on the prorated portion of the lease payment for the rental period in which the change of use occurs, use the following formula:

$$\text{tax} = \text{lease payment} \times (\text{taxable days} \div \text{total days}) \times 7\%$$

**Lease payment** is the amount of the monthly lease payment.

**Taxable days** is the number of days remaining in the rental period (e.g. the month), including the day of the change of use.

**Total days** is the total number of days in the rental period (e.g. the month) during which the change of use occurs.

For example, you lease a boat for \$1,000 per month. During the rental period of April 1 to April 30, you used the boat for a taxable purpose on April 28. You pay PST as follows:

$$\text{For the April rental period: tax} = \$1,000 \times (3 \div 30) \times 7\% = \$7.00$$

$$\text{For all remaining rental periods: tax} = \$1,000 \times 7\% = \$70.00$$

### **Paying PST after a Change of Use**

If you have a PST number, you must self-assess the PST due on your next PST return. For leased boats, you must continue to self-assess the PST due on each lease payment.

If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* (**FIN 405**) on or before the last day of the month following the month in which the change of use occurred. For leased boats, you must continue to file this type of return on or before the last day of the month following the end of each rental period.

## **Chartering and Leasing**

### **Boats Obtained for Chartering**

You must pay PST on boats you obtain for use in chartering. You must also pay PST on services and replacement parts for these boats.

### **Boats Obtained Solely for Leasing to Other Persons**

You do not pay PST on boats you obtain solely for leasing to other persons. You also do not pay PST on services and parts for these boats. To claim these exemptions, give the supplier or service provider your PST number or, if you are not yet registered, a *Certificate of Exemption – General* (**FIN 490**).

For information on the application of PST to leased goods, see **Bulletin PST 315**, *Rentals and Leases of Goods*.

### **Change of Use**

PST applies when you take boats you obtained solely for leasing purposes and later use the boat yourself, allow someone to use the boat for free (e.g. an employee or family member), or use the boat for chartering. For more information on self-assessing PST on change of use, see Change of Use above Chartering and Leasing above.

## **Boats Obtained for Leasing that are Occasionally Used for Chartering**

If you occasionally supply an operator with a boat you purchased PST exempt for leasing purposes, and the boat remains part of your lease inventory in your company books or accounting records, you do not need to self-assess PST on the boat as explained in Change of Use above Chartering and Leasing above.

However, in this situation, you must self-assess the PST due on the normal lease price of the boat. The normal lease price is the price usually charged to your customers for the lease of the boat without an operator.

For example, you normally lease a boat from your regular lease inventory for \$2,000 a day. You also occasionally provide an operator with the lease for \$3,000 a day (i.e. chartering). The boat remains part of the lease inventory in your accounting records. In this case, your customer does not pay PST. However, you must self-assess the PST due on the normal \$2,000 a day lease price.

If you have a PST number, you must self-assess the PST due on your next PST return.

If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return (FIN 405)* on or before the last day of the month following the month you entered into an agreement to lease the boat with an operator. For example, if you entered into an agreement in June, you must file the return and pay the PST no later than July 31.

## **Related Services**

---

Related services are services provided to tangible personal property (goods), or services provided to install goods. PST applies to related services provided to boats, unless a specific exemption applies.

However, PST does not apply if goods (e.g. a boat) are brought or sent into BC solely for the purpose of receiving related services (e.g. repairs) and, immediately after the related services are provided, the boat is transported outside BC for use outside BC.

For more information, see [Bulletin PST 301](#), *Related Services*.

## **Refunds**

---

If you have paid PST on a boat, you may be eligible for one of the following PST refunds:

- you were not required to pay PST but you paid it in error
- boats returned to collectors (e.g. boat dealers)
- boats returned within 30 days to sellers not registered to collect the PST
- PST paid on boats purchased or leased within the 12-month period prior to meeting the criteria as a qualifying commercial fisher
- PST paid on boats not exceeding 20 metres in length, and on motors for those boats, purchased or leased within the six-month period prior to meeting the criteria as a qualifying aquaculturist
- boats where the required information to obtain an exemption was not provided at the time of sale or lease (the seller or lessor may refund or credit you the PST paid if you provide the required information within 180 days; alternatively, you may apply to the ministry for a refund within 4 years)

To apply for a refund from the ministry, complete:

- an *Application for Refund – General* (**FIN 355**), or
- if you are a qualifying commercial fisher or qualifying aquaculturist and are applying for a refund of PST paid on boats prior to meeting the qualifying criteria, an *Application for Refund of Provincial Sales Tax (PST) for Farmers, Aquaculturists or Fishers* (**FIN 355/FAF**).

You must also provide the supporting documentation listed in the instructions to the form. The ministry must receive your refund claim within four years of the date you paid the PST. For example, if you paid PST on August 12, 2013, the ministry must receive your refund claim by August 11, 2017.

For more information on these refunds, see **Bulletin PST 400**, *PST Refunds*.



## Need more info?

Online: [gov.bc.ca/PST](http://gov.bc.ca/PST)

Toll free in Canada: 1 877 388-4440

E-mail: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

Access our forms, publications, legislation and regulations online at [gov.bc.ca/PST](http://gov.bc.ca/PST) (go to **Forms** or **Publications**).

Subscribe to our **What's New** page to receive email updates when new PST information is available.

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

---

### Latest Revision

September 2014

- Added information on filing electronically using eTaxBC
  - Clarified how the depreciation rate is calculated per 30-day period for partial years
- 

References: *Provincial Sales Tax Act*, sections 1 “BC resident”, “band”, “boat”, “fair market value”, “First Nation individual”, “non-resident”, “portable floating structure”, “registered charity”, “related individual”, “related service”, 5, 9, 10, 12, 13, 24, 25, 31, 34-37, 39, 41, 49, 52, 82, 82.3, 83, 100, 102, 119, 120, 142, 145, 147, 152, 153 and 192; *Provincial Sales Tax Exemption and Refund Regulation*, sections 1 “obtain”, “qualifying aquaculturist”, “qualifying commercial fisher”, 18-23, 26, 48-50, 55, 57, 73, 125, 126, 130, 131 and 149-152 and Schedule 4; *Provincial Sales Tax Exemption*, sections 10, 33, 48, 51, 52, 63, 72, 79 and 91; *Consular Tax Exemption Regulation*.