



Aircraft

Provincial Sales Tax Act

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

This bulletin explains how PST applies to aircraft and aircraft parts.

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Overview

Aircraft powered by a **turbine** engine (and parts for those aircraft) are specifically exempt from PST.

However, you must pay PST on **non-turbine** aircraft you purchase, lease or receive as a gift in BC, and on non-turbine aircraft you purchase, lease or receive as a gift outside BC and bring into the province, unless a specific exemption applies. You must pay PST regardless of whether the non-turbine aircraft is for personal or business use, even if you are registered for PST. The rate of PST you must pay is 7% or 12%, depending on how the non-turbine aircraft is obtained.

You must also pay PST at 7% on non-turbine aircraft parts, attachments and services to non-turbine aircraft, unless a specific exemption applies.

To ensure PST has been paid on all private sales of non-turbine aircraft, the ministry routinely reviews the records of Transport Canada and matches any change in ownership with payments of PST. Therefore, when you purchase non-turbine aircraft, 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
- **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)

Turbine and Non-Turbine Aircraft

Turbine Aircraft

Aircraft powered by a turbine engine (including turbo-prop and heli-jets) are exempt from PST.

Parts

Parts essential to the basic safe functioning of an aircraft that are attached to, and become part of, a turbine aircraft are exempt from PST, such as:

- primary communications equipment (including GPS)
- major components (e.g. motors and airframes)
- minor repair parts (e.g. tires, batteries and filters)

Please note: The parts do not have to be specifically designed for turbine aircraft.

PST applies to materials (e.g. sheet metal and bulk wire), even when used to make parts, as well as gases and liquids for all aircraft.

Attachments

An aircraft includes items installed on or attached to the aircraft at the time of sale. This means, attachments installed on or attached to a turbine aircraft at the time of sale or lease of the aircraft are exempt from PST.

For example, if a turbine helicopter is sold with an attached utility basket to transport firefighting gear, both the helicopter and the utility basket are exempt from PST.

Attachments installed on or attached to a turbine aircraft **after** the sale or lease of the aircraft are subject to PST if they do not qualify as parts (see above).

Non-Turbine Aircraft

Non-turbine aircraft, and parts and attachments for those aircraft, are subject to PST. This includes:

- piston powered aircraft
- non-turbine aircraft purchased with the intention of converting to turbine aircraft
- kits to build non-turbine aircraft
- parts and attachments for non-turbine aircraft (e.g. air filters, communication equipment and flight instruments)
- materials (e.g. sheet metal and bulk wire) used to make parts

PST on Non-Turbine Aircraft and Parts

Non-Turbine Aircraft Purchased or Leased in BC

Non-Turbine Aircraft Purchased at a Private Sale

If you purchase non-turbine aircraft at a private sale in BC, you must pay PST at 12% of the purchase price of the aircraft, unless a specific exemption applies. If you purchase parts for your non-turbine aircraft, you pay PST at 7%, unless a specific exemption applies.

For information on how to pay the PST, see Paying the PST below.

Non-Turbine Aircraft Purchased From GST Registrants

If you purchase non-turbine aircraft or parts from a GST registrant (e.g. an aircraft dealer), you must pay PST at 7% on the purchase price of the aircraft, unless a specific exemption applies.

Non-Turbine Aircraft Leased in BC

If you lease non-turbine aircraft in BC, you must pay PST at 7% on the lease price of the aircraft, unless a specific exemption applies.

Please note: PST applies differently if you lease a non-turbine aircraft with an operator. See Chartering and Aircraft Inventory below.

Interjurisdictional Non-Turbine Aircraft

You may be eligible to pay PST on a proportional basis if you purchase or lease non-turbine aircraft or purchase parts in BC and, from the date of purchase, the aircraft or part is used:

- for a commercial purpose and for flights interprovincially or internationally, and
- for flights that begin, end or connect two or more points in BC.

For more details, please contact us.

Non-Turbine Aircraft Acquired Outside BC and Brought Into BC

If you are a BC resident and you purchase non-turbine aircraft or parts outside BC and bring, send or receive delivery of the aircraft or parts in BC, you must pay PST, unless a specific exemption applies.

If you receive a non-turbine aircraft as a gift, see Non-Turbine Aircraft Received as a Gift below.

Non-Residents

You must pay PST on non-turbine aircraft or parts you bring or send into BC, or receive delivery of in BC, if you are a non-resident individual 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.

PST Rates – Non-Turbine Aircraft Acquired Outside BC but Within Canada and Brought Into BC

If the non-turbine aircraft was purchased at a private sale outside BC but within Canada, you must pay PST at 12% on the depreciated purchase price of the aircraft.

If the non-turbine aircraft was purchased outside BC but within Canada from a GST registrant (e.g. an aircraft dealer), you must pay PST at 7% on the depreciated purchase price of the aircraft.

For parts for your non-turbine aircraft, you pay PST at 7% on the depreciated purchase price.

For information on calculating the depreciated purchase price, see [Depreciated Purchase Price](#) below.

PST Rates – Non-Turbine Aircraft Acquired Outside Canada and Brought Into BC

If you purchase non-turbine aircraft or parts outside Canada and bring, send or receive delivery of the aircraft in BC, you pay PST at 7% of the taxable value of the aircraft or parts. The taxable value is the value of the non-turbine aircraft or parts as determined under the *Excise Tax Act* (Canada). The Canada Border Services Agency may collect the PST due when you bring the non-turbine aircraft or parts into Canada. Otherwise, you must self-assess the PST due.

For information on how to pay the PST, see [Paying the PST](#) below.

Non-Turbine Aircraft Brought into BC for Temporary Use

If you bring, send or receive delivery of non-turbine aircraft in BC for temporary use, see [Bulletin PST 307](#), *Goods Brought Into BC for Temporary Use*.

Depreciated Purchase Price

The **depreciated purchase price** of non-turbine aircraft and parts is the greater of:

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

The purchase price is the total amount paid to purchase the non-turbine aircraft, and also includes charges for service, customs, excise and transportation (e.g. shipping) incurred prior to the use of the aircraft in BC.

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

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

The depreciation rates for non-turbine aircraft and parts are as follows:

- non-turbine aircraft – 25% per year, plus 2.0833% per 30-day period for partial years
- parts – 20% per year, plus 1.667% per 30-day period for partial years

Calculating the Depreciation Rate

To calculate the depreciation rate, follow these steps:

1. Calculate the number of whole years between the date you acquired the non-turbine aircraft or parts and the date you brought the non-turbine aircraft or parts 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 non-turbine aircraft or parts and the date you brought the non-turbine aircraft or parts 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 depreciation rates above by the number of years and 30-day periods.

For example, if you purchased a non-turbine aircraft at a private sale in Alberta on May 12, 2013, and brought it into BC for business use on June 30, 2014, the depreciation rate would be 29.1666%, calculated as follows:

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 $[(1 \times 25\%) + (2 \times 2.0833\%)] = 29.1666\%$

Non-Turbine Aircraft Received as a Gift

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

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

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

- the gift is received from a GST registrant (e.g. an aircraft 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 non-turbine aircraft or parts 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 aircraft being purchased. 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
- 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 non-turbine aircraft purchased outside BC, or lease price reductions for trade-ins on leased aircraft.

Paying the PST

If you purchase or lease non-turbine aircraft or parts from a person who is registered to collect PST, that person must charge any PST payable.

In all other cases, or if the seller or lessor does not charge the PST as required, you must self-assess the PST due.

If you have a PST number, you must self-assess the PST 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 non-turbine aircraft or parts.

Sellers and Lessors

This section applies to your business if you are a collector and a GST registrant, and you sell or lease non-turbine aircraft.

Sales and Leases in BC

You must charge 7% PST on the purchase price or lease price of new or used non-turbine aircraft or parts, unless a specific exemption applies. This includes non-turbine aircraft and parts you sell on consignment, and aircraft you sell or lease to persons who will use the non-turbine aircraft to provide charter services to other persons.

Trade-Ins on Non-Turbine Aircraft Purchases

If you sell non-turbine aircraft or parts 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 item being purchased. 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)
- BC portion of the HST
- PST (under the *Social Service Tax Act*)

The purchaser must provide you with documentation to prove eligibility for this PST reduction (e.g. original bill of sale, invoice, self-assessment voucher from the ministry).

For the purpose of calculating the PST, there are no lease price reductions for trade-ins on leased non-turbine aircraft. This means, 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 non-turbine aircraft or parts (e.g. persons obtaining goods solely for resale or lease). For information on exempt sales and leases, including what information or documentation you are required to collect in order to support providing 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 (see Refunds below).

Reporting and Documenting Sales

You must record all aircraft 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*. You must record both non-turbine (taxable) and turbine (exempt) aircraft sales, including aircraft 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.

Exemptions

This section may apply to you if you purchase or lease aircraft.

If you claim an exemption on the purchase or lease of non-turbine aircraft, 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 owners and lessors of non-turbine aircraft 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 documents 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).

Non-Turbine Aircraft for Resale or Lease

You are exempt from PST on non-turbine aircraft and other goods you obtain solely for resale or leasing to other persons. To support the exemption, you must provide your PST number or, if you are not registered, a *Certificate of Exemption – General* ([FIN 490](#)).

Non-Turbine Aircraft Purchased for Use Outside BC

If you purchase non-turbine aircraft in BC, you are exempt from PST provided all the following criteria are met:

- the aircraft is purchased for use primarily outside BC,
- the aircraft will not be used in BC for a business purpose, and
- if you are purchasing the aircraft as an individual, you are not a resident of BC.

To claim this exemption, you must provide the seller with a completed and signed *Certificate of Exemption – Purchase of Vehicle or Aircraft for Use Outside BC* ([FIN 440](#)).

Aircraft Shipped Outside BC

You are exempt from PST if you purchase non-turbine aircraft or parts in BC if:

- the aircraft or parts are shipped by the seller for delivery to an address outside of BC, **and**
- no use is to be made of the aircraft or parts by you while the aircraft or parts are in BC except storage of the aircraft or parts with the seller.

Please note: If you later bring, send or receive delivery of the non-turbine aircraft or parts in BC, you must self-assess PST, unless a specific exemption applies (see Non-Turbine Aircraft Acquired Outside BC and Brought Into BC above).

To support the exemption, the seller must keep documentation that shows they delivered the non-turbine aircraft or parts outside the province, 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 non-turbine aircraft 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.

New Residents

If you are a new resident to BC and you bring non-turbine aircraft or parts into BC solely for non-business use, the aircraft and parts are exempt from PST if:

- the aircraft or parts arrive in BC within 1 year of you becoming a resident of the province, **and**
- you owned the aircraft or parts for at least 30 days before you became a BC resident.

Documentation

The ministry may ask you to provide proof you owned the non-turbine aircraft or parts for at least 30 days before you became a resident of BC (e.g. a bill of sale). You may also be asked to provide 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 non-turbine aircraft as a gift, you are exempt from paying PST on the aircraft if the person who gave you the aircraft (the donor) is a related individual to you, and the donor:

- paid one of the following taxes on the purchase of the aircraft 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),
 - BC portion of the HST,
 - PST (under the *Social Service Tax Act*),
 - 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 aircraft as a gift in BC prior to April 1, 2013.

Please note: Under the *Provincial Sales Tax Act*, only one gift of a specific non-turbine aircraft between related individuals is eligible for exemption in a 12-month period. Any future gifts of that aircraft within 12 months are subject to PST. The only exemption is if a gift aircraft 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

The ministry may ask you 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 non-turbine aircraft. You may be asked to provide proof the donor paid, or was exempt from, an applicable tax or received the non-turbine aircraft as a gift prior to April 1, 2013.

Gifts to Registered Charities

If you are a registered charity and you have received non-turbine aircraft as a gift, you are exempt from paying PST on the aircraft if the person who gave you the aircraft (the donor):

- paid one of the following taxes on the aircraft and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
 - PST (under the *Provincial Sales Tax Act*),
 - TDP,
 - 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 aircraft 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

The ministry may ask you to provide a copy of the 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 non-turbine aircraft. You may also be asked to provide proof the donor paid, or was exempt from, an applicable tax or received the non-turbine aircraft as a gift prior to April 1, 2013.

Prizes, Draws, and Awards

You are exempt from paying PST on non-turbine aircraft if you won the aircraft in a lottery, contest, game of chance or skill, or a draw, or if you received the aircraft as an award for an achievement in a field of endeavour, including an athletic or sporting event, and the person who provided the aircraft:

- paid one of the following taxes on the aircraft and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
 - PST (under the *Provincial Sales Tax Act*),
 - TDP,
 - 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 aircraft 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*, such as a BC Lottery Corporation lottery. 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. The exemption also does not apply if the person received the aircraft as a result of a private arrangement, including a wager, between 2 or more persons.

Documentation

The ministry may ask you 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 non-turbine aircraft paid, or was exempt from, an applicable tax, or received the aircraft as a gift prior to April 1, 2013.

Inheritance

If you receive a non-turbine aircraft as part of the distribution of a deceased's estate, you are exempt from paying PST on the aircraft. The ministry may ask you to provide a copy of the death certificate and will.

Transfers Due to Dissolution of Marriage

If a non-turbine aircraft is transferred to you from your spouse or former spouse because of the dissolution of your marriage or marriage-like relationship, you are exempt from paying PST on the aircraft. 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*.

Generally, if the second condition has not been met, PST is due on 50% of the fair market value of the non-turbine aircraft.

The ministry may ask you to provide a copy of the separation agreement, marriage agreement, court order, or agreement under Part 5 or 6 of the *Family Law Act*.

Related Party Asset Transfers

If a corporation obtains a non-turbine aircraft 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 if certain conditions are met.

Alternatively, if a corporation transfers a non-turbine aircraft 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 non-turbine aircraft obtained by a specific person in specific situations, including those 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*)

Chartering and Aircraft Inventory

Non-Turbine Aircraft Obtained for a Taxable Purpose

You must pay PST on non-turbine aircraft you obtain for a taxable purpose. This includes non-turbine aircraft obtained for use in chartering and flying lessons.

You must also pay PST on services and replacement parts for these aircraft.

Non-Turbine Aircraft Obtained Solely for Resale

You are exempt from PST on non-turbine aircraft you obtain solely for resale to other persons. You are also exempt from PST on services and parts for any aircraft in your resale inventory (i.e. both non-turbine and turbine aircraft).

To claim these exemptions, give the supplier or service provider your PST number or, if you are not registered, a *Certificate of Exemption – General* ([FIN 490](#)).

Non-Turbine Aircraft Obtained Solely for Leasing to Other Persons

You are exempt from PST on non-turbine aircraft you obtain solely for leasing to other persons.

You are also exempt from PST when you purchase non-turbine aircraft in BC or bring non-turbine aircraft into BC solely for the purposes of:

- leasing the aircraft to other persons (bare leases), and
- occasionally supplying that aircraft with an operator under an agreement (see Non-Turbine Aircraft Occasionally Supplied With an Operator below),

provided you capitalize that aircraft as lease inventory in your business accounting records.

Non-turbine aircraft eligible for these exemptions are referred to as lease inventory. You are also exempt from PST on services and parts for any aircraft in your lease inventory (i.e. both non-turbine and turbine aircraft).

To claim these exemptions, give the supplier or service provider your PST number or, if you are not registered, a *Certificate of Exemption – General* ([FIN 490](#)).

Non-Turbine Aircraft Occasionally Supplied With an Operator

You may be eligible for an exemption on non-turbine aircraft you obtain for your lease inventory if you occasionally supply those aircraft with an operator. If you qualify for this exemption, you do not charge PST but you must pay and self-assess the PST due based on the normal lease price of the non-turbine aircraft each time you supply those aircraft with an operator. The normal lease price is the price you usually charge to your customers for the lease of the non-turbine aircraft without an operator.

Example:

You normally lease a non-turbine aircraft from your lease inventory for \$2,000 a day (i.e. a bare lease). You also occasionally provide an operator with the lease for \$3,000 a day (i.e. chartering). The non-turbine aircraft remains part of your lease inventory in your accounting records.

When you lease the non-turbine aircraft, you charge PST on the \$2,000 per day lease price. When you provide the non-turbine aircraft with an operator, you do not charge PST. However, you must pay and self-assess the PST due based on the normal \$2,000 per day lease price (the \$3,000 per day chartering price is not used for PST purposes).

Change of Use

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

Change of Use for Purchased Non-Turbine Aircraft

If you purchased the non-turbine aircraft, you self-assess as follows:

- If you took the aircraft from your resale inventory for business or personal use, you self-assess PST on your cost of the aircraft.
- In all other situations, you calculate the PST due on the depreciated value of the aircraft or 50% of the purchase price, whichever is greater (see *Depreciated Purchase Price* above).

The requirement to self-assess PST also applies if you were not subject to the 12% TDP between July 1, 2010 and March 31, 2013 for a specific reason (e.g. the non-turbine aircraft was acquired for resale), and on or after April 1, 2013, you use the aircraft for a taxable purpose.

Change of Use for Leased Non-Turbine Aircraft

If you leased non-turbine aircraft for a specific exempt purpose or solely for leasing to other persons, and later use the aircraft for a taxable purpose, you must self-assess PST.

You self-assess PST on:

- a prorated portion of the lease payment for the rental period in which the change of use occurs, and
- 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.

Example:

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

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

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

For more information, see [Bulletin PST 315](#), *Rentals and Leases of Goods*.

Change of Use – Exception

You do not need to self-assess PST if you lease a non-turbine aircraft solely for leasing to other persons if:

- the only use you made of the aircraft, other than leasing, is occasionally supplying the aircraft with an operator under an agreement, and
- you capitalize the aircraft as lease inventory in your business accounting records.

However, if this exception applies, you must self-assess the PST due on the normal lease price of the non-turbine aircraft when you occasionally supply that aircraft with an operator (see Non-Turbine Aircraft Occasionally Supplied With an Operator above).

Self-Assessing 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 non-turbine aircraft, 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 non-turbine aircraft, 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.

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 non-turbine aircraft, unless a specific exemption applies.

However, PST does not apply to related services provided to exempt turbine aircraft.

Also, PST does not apply if goods (e.g. non-turbine aircraft or parts) 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 aircraft or parts are transported outside BC for use outside BC.

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

Refunds

If you have paid PST in one of the following situations, you may be eligible for a refund (additional criteria and documentation requirements apply):

- you were not required to pay PST but you paid it in error
- non-turbine aircraft or parts returned to collectors (e.g. aircraft dealers)
- non-turbine aircraft returned within 30 days to sellers that are not registered to collect the PST
- non-turbine aircraft or parts if 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)
- exempt turbine aircraft or parts

To apply for a refund from the ministry, complete an *Application for Refund – General* ([FIN 355](#)).

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, see [Bulletin PST 400](#), *PST Refunds*.



Need more info?

Online: gov.bc.ca/PST

Toll free in Canada: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

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

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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 PST applies to certain goods that are consumed during use
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References: Provincial Sales Tax Act, sections 1 “BC resident”, “band”, “fair market value”, “First Nation individual”, “lease”, “non-resident”, “registered charity”, “related individual”, “related service”, 5, 9, 10, 12, 13, 24, 25, 28, 31, 34-37, 39, 41, 49, 51, 52, 54, 55, 59-67, 81, 82, 82.01, 82.3, 83, 100, 102, 119, 120, 142, 145, 147, 152, 153 and 192; Provincial Sales Tax Exemption and Refund Regulation, sections 1 “obtain”, 18-23, 25, 26, 55, 57, 73, 125, 126, and 149-152; Provincial Sales Tax Regulation, sections 10, 33, 47, 48, 51, 52, 63, 72, 79 and 91; Consular Tax Exemption Regulation.