



Prince Edward Island Winding Down the PST



Finance, Energy and
Municipal Affairs
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Presentation

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General Transitional Rules

- **The provincial transitional rules are designed to compliment the federal GST/HST transitional rules and provide a smooth transition to the HST**
- **On April 1, 2013 the existing PEI PST will generally no longer apply to:**
 - A sale of goods where the goods are delivered and ownership is transferred on or after April 1, 2013;
 - A sale of services to the extent they are performed after March 31, 2013;
 - A sale of an admission for entry to a place of entertainment on or after April 1, 2013;



Prince Edward Island PST General Transitional Rules

- On goods brought into PEI or imported by a PEI resident on or after April 1, 2013;
- On that part of a lease interval that is on or after April 1, 2013 (unless the interval begins before April 1, 2013 and ends before May 1, 2013 – then PST applies);
- A sale of a property or service on a continuous basis to the extent that the property or service is delivered, performed or made available on or after April 1, 2013.



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Exceptions to Transitional Rules

- **The General Transitional Rules do not apply in the following situations:**
 - If the consideration for taxable goods, services or admissions becomes due or is paid before February 1, 2013, PST will be due where applicable.
- **The exception to the above rule is for non-consumers required to self assess the provincial component of the HST on consideration paid after November 8, 2012 and before February 1, 2013, they may apply for a refund of any PST paid on the consideration.**



Prince Edward Island PST Disclosure Requirements

- **When PST-included pricing is used for the sale of a good, taxable service or admission and the seller does not disclose the amount of PST included in the price and the consideration is due or paid after November 8, 2012 and before February 1, 2013, the price will be deemed to include PST, if applicable.**
 - Example: In January 2013, a vendor sells tickets to a rock concert that will take place in June 2013. For tickets sold on a tax-included basis, the prices will be deemed to include PST.



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Final PST Returns

- Final PST returns will generally be required to be filed with the Department of Finance, Energy and Municipal Affairs on or before April 20, 2013.
- If PST is collected or becomes payable after March, 2013, the vendor will be required to remit the tax on a supplemental PST vendor return. This return must be filed by the 20th day of the following month.
- All supplemental PST vendor returns will be required to be filed no later than August 20, 2013.
- Any applicable PST not otherwise payable on or before July 31, 2013 will become payable on July 31, 2013.



Prince Edward Island PST Refunds and Rebates

- **Generally, PST refund and rebate provisions will remain in place until the existing time limits for claiming a refund or rebate has expired, or March 31, 2017, whichever is earlier.**
- **The exception is for a purchase of taxable property made before April 1, 2013 but returned on or after April 1, 2013 and before August 1, 2013:**
 - If the property is returned and a full refund given, the PST would be refunded in full;



Prince Edward Island PST Refunds and Rebates

- If an exchange is made resulting in neither a refund nor additional payment, no PST would be refunded;
 - If an exchange is made resulting in a partial refund, the PEI component of the HST would not be payable on the replacement property and the purchaser would be entitled to recover the PST applicable to the amount refunded; and
 - If an exchange is made resulting in an additional payment, no PST would apply but the HST would apply to the additional payment.
- **Where the good is returned after July 31, 2013 the purchaser must apply to Taxation and Property Records in order to obtain a refund, when applicable.**



Prince Edward Island Assessment, Objection, Appeal and Compliance

- **Assessment, objection, appeal and compliance provisions under the *Revenue Administration Act* will generally continue to apply to transactions where the statutory limitation periods have not expired.**
- **Businesses will continue to be subject to PST audits for a period of 60 months following March 31, 2013.**
- **Vendors must obtain the written permission of the Provincial Tax Commissioner before any records may be destroyed.**



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Other Circumstances

➤ **Multi-jurisdictional vehicles**

- Prorate revenue tax will no longer apply after March 31, 2013.
- The exemption from PST on the purchase of trailers, parts and repairs will no longer be available after March 31, 2013.

➤ **Tax on private sales of designated property**

- Retail Sales Tax of 14% will be due on a sale of designated property when the seller is not registered to collect GST/HST.
- Designated property includes vehicles, boats and airplanes.

➤ **Transitional PST Inventory Rebate for Residential Real Property Contracts**

- PST rebate may be available to contractors for inventory on hand March 31, 2013 that is subsequently incorporated into a renovation of residential real property.



Prince Edward Island PST Additional Information

➤ Department of Finance, Energy and Municipal Affairs

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