



## Real Property Situated Outside BC

### *Provincial Sales Tax Act*

This bulletin explains how the PST applies to goods used by contractors to supply and affix, or install, goods so that they become part of real property situated outside BC.

### Table of Contents

Definitions.....	1
Goods Purchased Outside BC.....	1
Goods Purchased in BC .....	1
Goods Brought or Sent Into BC or Received in BC .....	4

### Definitions

---

In this bulletin:

- **contract** means an agreement under which goods are supplied and affixed, or installed, so that they become part of real property
- you are a **contractor** if you supply and affix, or install, goods that become part of real property (for an explanation of what is real property, see [Bulletin PST 501](#), *Real Property Contractors*)

### Goods Purchased Outside BC

---

If you are a contractor, you do not pay PST if you purchase goods outside BC for use outside BC. However, generally, if you later bring or send the goods into BC, or receive delivery of the goods in BC, you must self-assess PST (see Goods Brought or Sent Into BC or Received in BC below).

### Goods Purchased in BC

---

If you are a contractor, you must pay PST on taxable goods (e.g. building materials) you purchase in BC to fulfil a contract, unless the exemptions described immediately below apply. You must pay PST even if the real property where you will affix or install the goods is situated outside BC. If you paid PST, you are only eligible for a refund if you ship those goods out of BC **and** make no use of those goods in BC (see Refund – Goods Shipped Out of BC below).

Example:

You are a cabinetmaker located in BC, and you enter into a contract with a customer in Alberta to supply and install kitchen cabinets in their Alberta residence. You purchase the building materials you need to manufacture the cabinets in BC, and you manufacture the cabinets at your warehouse in BC.

You must pay PST when you purchase the building materials you will use to manufacture the cabinets, and you are not eligible for a refund of this PST because you have used the materials in BC.

**Please note:** If you affix or install goods to real property situated outside BC, you cannot transfer the PST liability to your customer by agreeing that your customer will pay PST by using the exception described in [Bulletin PST 501](#), *Real Property Contractors*.

### **Exemption – Goods Shipped Out of BC By the Seller**

You are exempt from PST if you purchase goods in BC and:

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

The first condition of this exemption is met if:

- the seller delivers the goods outside BC themselves (e.g. in their own vehicle), or
- the seller contracts with a common carrier, delivery company, shipping company or forwarding agent to have the goods shipped to a location outside BC. The common carrier, delivery company, shipping company or forwarding agent must be hired by the seller and cannot be a relative, friend, employee or other person sent or contracted by the purchaser to pick up and/or deliver the goods to a location outside BC.

**Please note:** If you later bring or send the goods into BC, or receive delivery of the goods in BC, you must self-assess PST, unless a specific exemption applies.

To support the exemption, the seller must keep documentation that shows they delivered the goods 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 goods 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.

### **Exemption – Contracts With Persons Exempt from PST**

As a contractor, you are exempt from PST if you purchase goods in BC to fulfil a **written** contract if the contract is with certain persons who are exempt from PST (e.g. the Government of Canada, First Nations individuals or bands), even if the real property where you will affix or install the goods is situated outside BC.

For more information on this exemption, see [Bulletin PST 501](#), *Real Property Contractors*.

## Refund – Goods Shipped Out of BC

If you paid PST on the purchase of goods for business use, you may be eligible for a refund of PST if:

- the goods were shipped out of BC for use outside BC (including in your own vehicle), and
- no use of the goods was made while they were in BC, except to store and ship the goods out of BC.

Example:

You are a log home builder located in BC, and you enter into a contract with a customer in Alberta to supply and install a new log home on Alberta land. You purchase the building materials you need to build the log home in BC and you bring the materials to the job site in Alberta. You do not perform any preliminary work on the building materials in BC or use the materials in any other way while they are in BC, except storage.

You must pay PST when you purchase the building materials; however, you may be eligible for a refund of this PST because you shipped those materials out of BC **and** you have not used the materials in BC.

**Please note:** This refund does not apply if you make **any** use of the goods while they are in BC, except storage. Use includes if you perform any preliminary tasks on the goods in BC before their removal from BC.

For example, if the log home builder in the example above had notched or stripped the logs in BC before bringing the logs to the job site in Alberta, the log home builder would not be eligible for a refund on these logs.

### Applying for the Refund

To apply for this refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide:

- a fully completed refund claim schedule (as described in the instructions to the application form),
- a copy of your purchase invoices for the goods (**note:** for any invoice where not all the goods purchased were shipped out of BC, you must clearly indicate on the invoice the goods for which you are claiming a refund),
- a written statement that explains the method by which you shipped the goods out of BC and provides the date you shipped the goods out of BC, and
- evidence that shows you shipped the goods out of BC (e.g. bills of lading, accounting records and corresponding receipts for shipping costs).

We may request additional documentation when processing your refund claim.

**Please note:** If the goods shipped out of BC were promotional materials, additional criteria apply (see [Bulletin PST 311](#), *Promotional Materials and Special Offers*).

## Goods Brought or Sent Into BC or Received in BC

---

Generally, you must pay PST on taxable goods you bring or send into BC, or receive delivery of in BC, for business use, unless a specific exemption applies. In most cases, you must self-assess the PST due. For more information, see [Bulletin PST 310](#), *Goods Brought Into BC*.

**Exception:** You are not required to pay PST on goods you bring into BC solely for **any** of the following purposes:

- transporting those goods out of BC for use outside BC,
- processing, fabricating or manufacturing those goods into, or attaching or incorporating those goods into other goods that will be transported out of BC for use solely outside BC, **or**
- repairing those goods and, after repair, transporting those goods out of BC for use outside BC.

### Need more info?

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

Toll free in Canada: 1 877 388-4440

Email: [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.

References: *Provincial Sales Tax Act*, sections 1 “affixed machinery”, “apparatus”, “improvement to real property”, “sale”, “tangible personal property”, “use”, 11, 28, 34, 37, 49, 55, 79-80, 158 and 192; Provincial Sales Tax Exemption and Refund Regulation, section 26.