



# Provincial Sales Tax (PST) Notice

Notice 2012-013

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## Tangible Personal Property (Goods) Brought Into British Columbia

*Provincial Sales Tax Act*

During the summer of 2011, British Columbians had the opportunity to participate in a province-wide referendum on the harmonized sales tax (HST). On August 26, 2011, Elections BC announced that British Columbians had voted in favour of eliminating the HST and returning to the provincial sales tax (PST) plus federal goods and services tax (GST) system.

Following the referendum results, government committed to make the transition back to the PST/GST system as quickly as responsibly possible. The *Provincial Sales Tax Act* received Royal Assent on May 31, 2012, and the PST will be re-implemented on April 1, 2013.

This notice provides a general overview of the application of the PST to purchases of goods, other than leased goods, brought into BC. This notice does not apply to vehicles subject to the multijurisdictional vehicle tax or conveyances used interjurisdictionally.

**Please note:** Some of the rules and requirements described in this notice are subject to legislative and regulatory approval.

For information on how the PST applies to goods brought, sent or delivered into BC that straddle April 1, 2013, please see PST [Notice 2012-010](#), *General Transitional Rules for the Re-implementation of the Provincial Sales Tax*.

### What is Tangible Personal Property (Goods)?

Tangible personal property is personal property that you can see, weigh, measure, feel or touch, or that is in any other way perceptible to the senses—generally, all goods. Tangible personal property also includes natural or manufactured gas, heat, electricity and affixed machinery, but does not include real property. Real property is land and any items permanently attached to land (buildings and structures).

**Please note:** An improvement to real property, or a part of an improvement to real property, that is removed from the site at which it is affixed or installed (i.e. to be repaired) is tangible personal property while it is removed.

More information specific to affixed machinery and improvements to real property will be provided in the near future.

## Goods Brought, Sent or Delivered into BC

Unless a specific exemption applies, tangible personal property (goods) brought, sent or delivered into BC in the following circumstances will be subject to PST including, in certain circumstances, those received as a gift:

- a BC resident brings, sends or receives into BC goods for their own use or the use of another person at their expense;
- a person brings, sends or receives into BC goods for the use of a BC resident or another person at the BC resident's expense;
- a person brings, sends or receives into BC goods for use in the course of the person's business, whether or not the person's business is carried on in BC;
- a person mentioned in any of the above bullets, in certain circumstances, brings goods into BC for temporary use. More information on the circumstances and the payment of PST on goods brought into BC for temporary use will be provided in future public information;
- a resident taxpayer brings, sends or receives delivery in BC of non-commercial goods from outside Canada for their own use or the use of another person at the resident taxpayer's expense;
- a person brings, sends or receives into BC a vehicle for their own use or the use of another person at their expense and the vehicle is registered for use in BC; or
- a non-resident who owns real property in BC or leases, in certain circumstances, real property in BC, brings, sends or receives into BC goods to be used primarily in BC during the year following the entry of the goods for the non-resident's own use or the use of another person at the non-resident's expense.

**Please note:** For PST purposes, a BC resident means a person who resides, ordinarily resides or carries on business in BC or enters BC with the intention of residing or carrying on business in BC. A resident taxpayer means a person who resides, ordinarily resides or carries on business in BC and brings, sends or receives delivery of goods in BC for their own use or the use of another person at their expense.

## Taxable Goods

Examples of taxable goods include:

- Alcoholic beverages
- Art
- Automotive parts
- Boats (other than self-propelled vessels of more than 500 tons gross)
- Building materials
- Clothing and footwear for adults
- Computers and other electronics
- Cosmetics and grooming aids
- Flowers
- Furniture and appliances
- Natural gas, heat and electricity for business use
- Office supplies and equipment
- Pets and pet food
- Vehicles, including off-road vehicles and snowmobiles

## Exemptions

Permanent exemptions under the previous PST will be re-implemented (time-limited exemptions will not be re-implemented<sup>1</sup>) including, but not limited to, exemptions from tax on certain goods:

- All food for human consumption (e.g. basic groceries and prepared foods such as restaurant meals)
- Non-motorized bicycles, and non-motorized tricycles where the diameter of each wheel is at least 350 mm
- Children-sized clothing and footwear
- Adult-sized clothing and footwear purchased for children under the age of 15 years
- Used clothing and footwear under \$100
- Books, newspapers and periodicals
- Medications (e.g. prescription and specific over-the-counter medication)
- Vitamins
- Specified school supplies
- Remembrance Day poppies and wreaths
- Natural cut evergreens sold as Christmas trees
- Energy products (e.g. electricity and natural gas) purchased for use in a residential dwelling unit
- Fuel taxed or exempt from tax under the *Motor Fuel Tax Act*

Exemptions specific to businesses will also be re-implemented including, but not limited to, exemptions from tax on certain goods:

- Goods for resale or for lease
- Goods incorporated into goods for resale
- Eligible machinery and equipment used in manufacturing, logging, mining, mineral exploration, and oil and gas production
- Specified goods for use by qualifying farmers for a farm use
- Specified goods for use by qualifying fishers or aquaculturists (includes shellfish growers) for use in their trade
- Specified manufactured machinery and equipment that is part of a penstock system for a hydroelectric power plant

Other circumstances in which an exemption may apply include:

- household goods and equipment brought into BC by an individual BC resident as part of their settler's effects (when an individual moves to BC). The goods must be solely for personal use and have been owned, physically possessed and used by the person for at least 30 days prior to being brought to BC and brought to BC within six months of the person becoming a BC resident;
- goods received as a gift out of province as part of an inheritance;
- goods, other than vehicles, boats and aircraft, received as a gift out of province from a non-resident or from another BC resident who has paid a provincial sales tax on the goods;

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<sup>1</sup> Time-limited exemptions were those exemptions under the *Social Service Tax Act* that had a specified expiry date included in the exemption; for example, qualifying energy efficient natural gas or propane commercial boilers purchased before April 1, 2011, and auxiliary power units, cabin heaters and engine heaters for certain commercial trucks purchased before April 1, 2012.

- vehicles, boats and aircraft received as a gift out of province from a specified family member who has paid a provincial sales tax on the vehicle, boat or aircraft;
- boats and travel trailers brought into BC by a non-resident for their own use; and
- goods brought into BC for less than six days within a calendar year.

## Paying and Collecting Tax

BC residents that bring or send goods into the province will generally be required to self-assess the PST payable on those goods. More information on the requirement to self-assess will be provided in the near future.

Out-of-province sellers who are collectors under the *Provincial Sales Tax Act* and who cause taxable goods to be delivered into BC, are required to charge and collect the PST payable on the purchase of the goods. A collector is considered to cause delivery of goods into B.C. where the collector:

- sends the goods by mail or courier to an address in BC,
- ships the goods to a destination in BC that is specified in a contract for the carriage of the goods, or
- transfers possession of the goods to a common carrier or consignee that the collector has retained on behalf of the BC resident to ship the goods to the province.

However, where the collector delivers the goods to a common carrier retained by the purchaser, the purchaser is required to self-assess the PST.

PST payable on non-commercial goods brought or sent into BC from outside of Canada will generally be collected by the Canada Border Service Agency or by Canada Post. Where PST is not collected, it must be self-assessed.

## Further Information

If you have any questions, please call us toll free at 1 877 388-4440 or email your questions to [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

You can also find information on our website at [gov.bc.ca/pst](http://gov.bc.ca/pst)

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

You can access the draft consolidation of the provincial sales tax statute and related FAQs on our [Forms and Publications](#) page.

Draft regulations will be posted to our website as soon as they are available.

For up to date information on the return to PST, subscribe to our What's New page at [sbr.gov.bc.ca/msbr/whats\\_new/consumer\\_taxes/whatsnew.htm](http://sbr.gov.bc.ca/msbr/whats_new/consumer_taxes/whatsnew.htm)