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Payment of Revenue Tax (PST) on Out-of-Province Purchases

This guide provides information to individuals and businesses that purchase taxable goods in another province or country.

The Legislation

Section 4 of the Prince Edward Island *Revenue Tax Act* provides the legislative authority for the Minister of Finance and Municipal Affairs to levy PST on taxable goods, and states that every consumer of goods consumed in the province shall pay, at the time of taking delivery, a tax at the rate of 10% of the fair value of the goods. In most cases, the fair value is the purchase price, including GST paid.

Subsection 1(c) of the *Revenue Tax Act* defines “consumption” to include bringing goods into, causing goods to be brought into, or taking delivery of goods within the province.

Subsections 9(3) and 9(4) of the *Revenue Tax Act* state that every person who brings or causes to be brought into the province, or receives delivery in the province, of goods for consumption shall immediately report the matter to the Provincial Tax Commissioner, produce the invoice in respect of such goods, and pay the PEI revenue tax (PST) payable on the goods.

Application of the Legislation

Individuals or businesses purchasing taxable goods in another province or country (either in person, through the internet, by mail order, or by any other method) for consumption or use in Prince Edward Island are responsible for the payment of PST on those purchases. Even if HST or another jurisdiction’s sales tax has been paid at the time of purchase, PST must be paid when the goods are brought into PEI. (Please note that the fees collected by the Canada Border Services Agency at border crossings or customs entry points do not include PST). The PST payable is 10% of the purchase price in Canadian currency including GST, duties, and any shipping or delivery charges.

The onus is on the consumer to report and pay the applicable PST. Tax payments initiated by an individual, rather than through assessment by Taxation and Property Records, may be made without penalty or interest. If purchasers do not self-declare at the time of taking delivery of taxable goods, they may be charged interest at the rate of 1.5% per month from the date the goods were purchased or brought into the province.

If taxable goods are purchased in a harmonized province and these goods are brought into PEI for consumption or use, a refund of the provincial component of HST may be available. In order to be eligible for a refund, a claim must be filed with the Canada Revenue Agency within one year of the day the goods were removed from the harmonized province. In addition, proof must be provided that the applicable PST has been paid.

Process

PST must be paid by completing a Revenue Tax (PST) Self-Declaration Form and returning it with copies of purchase invoices and payment to Taxation and Property Records Division or any Access PEI Centre. This form is available at:

- Any Access PEI Centre
- Taxation and Property Records (902-368-4070) or email: taxandland@gov.pe.ca
- www.taxandland.pe.ca/forms

Further Information:

For copies of the *Revenue Tax Act* and Regulations and any inquires regarding this Revenue Tax Guide, please contact:

Taxation and Property Records
Finance and Municipal Affairs
P.O. Box 1330
Charlottetown, PE
C1A 7N1

Telephone: (902) 368-4171
Fax: (902) 368-6164
Email: taxandland@gov.pe.ca
Website: www.taxandland.pe.ca

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