

Ministry of Finance

Tax Bulletin



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Exemption for Members of the Diplomatic and Consular Corps

Social Service Tax Act, Hotel Room Tax Act, Motor Fuel Tax Act, Tobacco Tax Act

Are you a member of the diplomatic or consular corps?

Do you need to know how to purchase goods exempt from tax in British Columbia?

This bulletin provides specific tax information to help members of the diplomatic and consular corps understand how to purchase goods exempt from tax in British Columbia.

This bulletin includes information on the social service tax, also called the provincial sales tax (PST), as well as information on the hotel room tax, motor fuel tax and tobacco tax. This bulletin does not include information on the carbon tax. For information on the carbon tax, please see our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Carbon_Tax/carbon_tax.htm

If you operate a business, and you have questions about how tax applies to sales to members of the diplomatic and consular corps, please see [Bulletin GEN 006](#), *Exemption for Members of the Diplomatic and Consular Corps: Instructions to Vendors and Operators*.

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Eligibility for Exemption

Certain members of the diplomatic and consular corps are eligible for an exemption from British Columbia taxes. This bulletin explains the exemptions and how to receive them.

As used in this bulletin, the terms career consular officer, consular employee, consular post, consular officer, consular premises, diplomatic agent and diplomatic mission have the same meaning as in the *Foreign Missions and International Organizations Act* (Canada).

You qualify for an exemption from tax if:

- you are a career consular officer of a post situated in British Columbia, or a post with authority in British Columbia, and you are a citizen of the country operating the consular post,
- you are a diplomatic agent of a diplomatic mission situated in Canada and you are a citizen of the country operating the diplomatic mission,
- you are a United Nations official who has been granted diplomatic privileges by Foreign Affairs Canada under the *Foreign Missions and International Organizations Act* (Canada), and you are not a landed immigrant or Canadian citizen,
- you are a consular employee of a consular post situated in British Columbia and you are a citizen of the country operating the consular post, or
- you are the spouse of a person referred to above and you are not a Canadian citizen or landed immigrant.

Any purchases you make on behalf of the consulate office also qualify for an exemption.

Your eligibility is determined when you receive your diplomatic or consular identity card from Foreign Affairs Canada. If you qualify for a point-of-sale exemption in British Columbia, British Columbia is shown as a province granting exemption on the reverse of your identity card.

You cannot receive an exemption by presenting an identity card issued to your spouse. Only persons presenting a valid identity card issued to them personally qualify for an exemption.

Making Exempt Purchases

To receive a point-of-sale exemption, show your identity card to the seller. You are required to sign the bill of sale once the seller has recorded your name, your identity card number and the expiry date.

You can receive a point-of-sale exemption on purchases or leases of the following:

- general merchandise (e.g. televisions, motor vehicles and clothing),
- alcoholic beverages (including liquor purchased from hotels, bars, pubs, restaurants and liquor stores),
- accommodation at hotels, motels and establishments with similar accommodation (for both provincial and municipal or regional tax),
- taxable services (e.g. repair or maintenance services) and legal services, and
- motor vehicle parking (imposed in the Vancouver area only).

If the Seller Disputes Validity of Identity Card

If the seller disputes the validity of your identity card, you are required to pay the tax at the time of purchase. You can then claim a refund of the tax paid. Refund application forms are available from the ministry and [Service BC Centres](#).

Each application needs to contain your name, address, identity card number, expiry date and your diplomatic status. You are also required to submit a photocopy of both sides of your identity card and sales invoices showing the amount of tax paid. The ministry must receive your refund claim within four years from the date you paid the tax.

Send your refund application and supporting documents to:

Ministry of Finance
Refund Section
PO Box 9628 Stn Prov Govt
Victoria BC V8W 9N6

Real Property Contracts

For real property contracts, there are two ways to claim the PST exemption, depending on the contract.

1. **Contract where you are responsible for the PST** – The contract, or a separate written agreement, specifies the value of the materials and equipment, and that you are responsible for paying the PST on that amount. In this case, you are considered to be the purchaser and user of the materials and equipment.

The contractor does not charge you PST on the purchase price of the materials and equipment, provided that the sale meets the criteria for a PST exemption as outlined in [Bulletin GEN 006](#), *Exemption for Members of the Diplomatic and Consular Corps: Instructions to Vendors and Operators*.

2. **Contract where the contractor is responsible for the PST** – The contract, or a separate written agreement, does **not** specify the value of the materials and equipment or does **not** specify that you are responsible for paying PST on that amount. In this case, the contractor is considered to be the purchaser and user of the materials and equipment.

The exemption is transferable to the contractor provided that you meet the criteria for a PST exemption as if you were purchasing the materials and equipment yourself.

Contractors use the *Certificate of Exemption – Contractors* form ([FIN 453/C](#)) to claim an exemption on your behalf. It is important that contractors read [Bulletin SST 072, Real Property Contractors](#) for information on how to use this form.

For more information on real property contracts, please see [Bulletin SST 072, Real Property Contractors](#).

Telephone, Hydro and Pay Television Services

You can receive telecommunication services, such as telephone and pay television, as well as hydro services for your personal residence and for consular premises without payment of PST. You are required to submit a request for exemption in writing to the ministry.

Provide the following information with your request:

- the type of service purchased,
- the name of the company providing the service,
- the account number with the supplier of the service and the name under which the service is billed,
- the address to which the service is provided and whether the address is a personal residence or consular building,
- the name, address, identity card number, expiry date (if applicable), and diplomatic status of the person requesting exemption, and
- a photocopy of both sides of the diplomatic or consular identity card issued by Foreign Affairs Canada.

When the ministry receives this information, the ministry will make arrangements with the company providing the service to exclude the PST from all billings to qualified accounts.

Tobacco Products

Foreign Affairs Canada provides tobacco manufacturers with a list of persons eligible for an exemption. To purchase tobacco products without payment of tobacco tax, contact the manufacturer.

Tobacco sold to the general public (subject to provincial tobacco tax) is marked with British Columbia's unique mark. Tobacco that is sold exempt to members of the diplomatic and consular corps is not marked. Only unmarked tobacco can be sold exempt to members of the diplomatic and consular corps.

For more information, please see [Bulletin TTA 006](#), *British Columbia's Tobacco Marking Program*.

Purchases of Fuel for Motor Vehicles

Retailers of fuel are not authorized to provide an exemption from motor fuel tax on retail fuel sales.

To receive an exemption on purchases of fuel for motor vehicles used exclusively by eligible persons, the consular post may apply to an oil company for credit cards issued in the name of each member who qualifies for an exemption. They must provide the oil company with a list of the names and diplomatic identity card numbers of each member. The oil company will exclude motor fuel tax from all billings to qualified accounts.

When you make cash payments or payments on general credit cards, you **are not eligible** for a point-of-sale exemption, but you **are eligible** for a refund of the tax paid.

How to Apply for a Refund

You can claim a refund by completing the *Application for Refund of Motor Fuel Tax – Purchaser of Fuel* form ([FIN 147](#)). For information on how to complete the application form, please see the instructions printed on page one of the form. The application form outlines the specific supporting documents required for motor fuel tax refund applications.

The ministry must receive your refund application within four years from the date you paid the motor fuel tax. The ministry will not issue a refund of less than \$10.

Environmental Levies

Battery Levy

You are not exempt from paying the provincial environmental levy on new lead-acid batteries, even though you are entitled to purchase lead-acid batteries exempt from PST.

For more information, please see [Bulletin SST 015](#), *Environmental Levies*.

Innovative Clean Energy (ICE) Fund Levy

A provincial ICE Fund levy applies to sales of electricity, natural gas, fuel oil and propane sold on a grid system. The levy does not apply to fuel taxed or exempted from tax under the *Motor Fuel Tax Act* (e.g. fuel used in a motor vehicle, generator or chainsaw). You are exempt from paying the ICE Fund levy.

For more information, please see our website at www.sbr.gov.bc.ca/individuals/Consumer_Taxes/Provincial_Sales_Tax/ICE_Fund_Levy.htm

Need more info?

Telephone (Vancouver): 604 660-4524

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act*, *Hotel Room Tax Act*, *Motor Fuel Tax Act*, *Tobacco Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm

References: *Social Service Tax Act*, Sections 68.01 and 129, and Regulations 17.1 to 17.4; *Consular Tax Exemption Regulation*; *Hotel Room Tax Act*, Section 43(2)(i); *Tobacco Tax Act*, Section 44(2)(f); *Motor Fuel Tax Act*, Section 71(2)(i); *Foreign Missions and International Organizations Act* (Canada).