

Bicycles and Tricycles

Social Service Tax Act

Do you sell or lease bicycles and tricycles?

Do you need to know how PST applies to your business?

This bulletin provides specific tax information to help bicycle and tricycle sellers understand how the social service tax, also called the provincial sales tax (PST), applies to their businesses.

For general PST information that applies to all businesses, such as who needs to register, when general exemptions apply, and how to charge and collect the PST, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#).

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Sales

You do not charge PST on the sale or lease of cycles that include:

- non-motorized bicycles,
- non-motorized adult-sized tricycles where each wheel of the tricycle has a diameter of 350 mm or more, and

The revision bar (|) identifies changes to the previous version of this bulletin dated February 2008.

- electric power-assisted bicycles and tricycles (purchased or leased between February 20, 2008 and March 31, 2011, inclusive) that have:
 - wheels with a diameter of 350 mm or more,
 - pedals or hand cranks that propel the cycle using human power,
 - a motor with a continuous power output rating of not more than 500 watts that can propel the cycle no faster than 32 km per hour on level ground without pedaling, and
 - a mechanism that either:
 - turns the motor on and off, or
 - prevents the motor from turning on before the cycle reaches 3 km per hour.

However, you charge PST on the sale or lease of tricycles that have a wheel diameter that is less than 350 mm, unicycles, motorized and non-motorized push-style scooters. You also charge PST on electric power-assisted bicycles and tricycles equipped with a combustion engine. For information on the PST reduction for electric motorcycles and scooters, please see [Bulletin SST 085](#), *Alternative Fuel Vehicles and Alternative Motor Fuel Tax Concessions*.

Parts and Accessories

You do not charge your customer PST when you sell or install replacement parts and accessories at the time you sell a qualifying bicycle or tricycle. You do not charge your customer PST when you sell replacement parts.

However, you charge your customer PST on any accessories and their installation charges that take place **after** the sale of the bicycle or tricycle. You also charge PST on the sale of items that are not parts or accessories, such as oil, grease, tube repair kits, and pant clips.

Parts

Parts are items that are essential to the basic functioning of the bicycle and tricycle, such as:

- frame and fork sets,
- handle bar stems, tape, rim tape, grips and end plugs,
- wheels, tubes, tires and brake assemblies,
- seats, fenders and shock absorbers,
- pedal, chain and gear, and chain guard assemblies, and
- battery packs for electric power-assisted bicycles and tricycles.

Accessories

Accessories are items that are not essential to the basic functioning of the bicycle or tricycle. For example, a bicycle used for mountain biking may be accessorized with a saddlebag to carry personal items, but the bicycle could perform the basic function of a bicycle without the saddlebag.

The following items are also examples of bicycle or tricycle accessories:

- pumps, pump clips, hoses and hose accessories,
- carriers, including handle bar bags, rat traps, baskets, panniers, saddlebags, tool bags,
- drinking bottles, bottle cages, bells, horns, and
- toe clips, toe straps, mirrors, kickstands, streamers and flags.

Conversion Kits

You do not charge PST on conversion kits for converting non-motorized bicycles and tricycles into qualifying electric power-assisted cycles.

Safety Equipment

You do not charge PST for the repair, installation or assembly of certain safety equipment items, such as:

- lighting assemblies for bicycles or tricycles including generators, batteries for lights, bulbs, reflectors, and
- helmets, safety vests and safety bibs designed to enhance the visibility of the wearer.

For more information on safety equipment, please see [Bulletin SST 002, Safety Equipment and Protective Clothing](#).

Out-of-Province Sales

You do not charge PST on taxable goods you ship to an out-of-province location. To show why you did not charge PST, your records must show that you shipped the goods out of the province.

Sales to Other Retailers

You do not charge PST on taxable goods sold to other retailers if they provide their PST registration number. When you sell to other retailers, you record their PST registration number on each invoice and keep it in your records to show why you did not charge PST.

Services

Services and Repairs

Since you do not charge PST when bicycles and tricycles are sold, you do not charge your customer PST when you perform services to bicycles and tricycles.

Examples of services are:

- tune-ups,
- complete overhauls,
- lubricating the chain,
- inspecting and cleaning the frame and fork,
- replacing a broken pedal, and
- safety checks.

However, if you install an accessory as part of your service, you charge PST on the accessory and the installation charge. For more information on taxable services, please see [Bulletin SST 018](#), *Taxable Services*.

Purchases

When to Pay PST

You pay PST on the purchase or lease of new or used goods that you use in your business, such as:

- equipment used to perform your services, such as tools, machinery, wrenches and screwdrivers,
- stationery, furniture and office equipment,
- advertising materials, such as flyers and brochures,
- items you purchase to give away as free promotions, and
- computer hardware and software (unless custom software).

If the supplier does not charge you PST on the above items, you self-assess and record the PST due at Step 3 of your next tax return.

When Not to Pay PST

You do not pay PST on the following:

- items you purchase for resale or lease to your customers,
- parts and materials that will become part of the bicycles or tricycles you are servicing, such as replacement parts, oil, grease and paint, and
- containers, labels or packaging materials that are included with your sales at no extra charge to your customers.

To purchase the above items without paying PST, give the supplier your PST registration number.

If you take taxable items from your resale inventory for business or personal use, you self-assess PST on your cost of the items.

Purchases from Out-of-Province Suppliers

If you purchase taxable goods from an out-of-province supplier, you pay PST on the total amount that you pay to bring the goods into British Columbia, including charges for transportation, customs, excise, and any other costs, except the goods and services tax (GST). If the supplier does not charge you PST, you self-assess and record the PST due at Step 3 of your next tax return. For more information, please see [Bulletin SST 043](#), *Goods Purchased from Out-of-Province Suppliers*.



Need more info?

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

References: *Social Service Tax Act*, Sections 42(2) and 75(1)(a), (a.1-a.3) and 75(4), and Regulations 2.45(b) and 3.26