

### **If I paid less than average wholesale for a vehicle and repaired it without having it appraised, do I still have to pay RST on average wholesale?**

You must pay RST on the average wholesale price when you register the vehicle. You may submit your repair bills directly to the Taxation Division and apply for a refund of RST you paid on the cost of the repairs. The maximum refund is 7 per cent of the difference between the vehicle's purchase price and average wholesale price. Your Autopac agent cannot issue a refund cheque.

Application for Refund forms are available from your Autopac agent, or Taxation Division offices, or on our website listed on the back of this brochure.

If you require additional information, please contact Manitoba Finance – Taxation Division at:

#### **Winnipeg Office**

101 – 401 York Avenue  
Winnipeg, MB R3C 0P8

Telephone: (204) 945-5603

Manitoba Toll-free: 1-800-782-0318

Fax: (204) 948-2087

E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)

Website: [www.gov.mb.ca/finance/taxation](http://www.gov.mb.ca/finance/taxation)

#### **Westman Regional Office**

311, 340 – 9th Street  
Brandon, MB R7A 6C2

Telephone: (204) 726-6153

Manitoba Toll-free: 1-800-275-9290

Fax: (204) 726-6763

Hours 8:00 a.m. – 4:30 p.m.  
(Monday to Friday)

This brochure is intended to serve as a guideline and is not all-inclusive. For the specific wording of the tax law, please refer to *The Retail Sales Tax Act and Regulations*.

## **Retail Sales Tax**

# **Vehicle Valuation Program**

## **For Motor Vehicles Purchased Privately**

# Retail Sales Tax Vehicle Valuation Program for Motor Vehicles Purchased Privately

When you buy a vehicle privately, your Autopac agent will collect 7 per cent retail sales tax (RST) when you register the vehicle. RST is calculated on either the purchase price or the average wholesale price of the vehicle, whichever is **greater**.

## Your Questions ...

### Is RST calculated this way on all used vehicles that are purchased privately?

No. It applies only to **passenger cars, vans and light trucks** with a curb weight of 3,000 kilograms or less that are purchased privately without a trade-in. For snowmobiles, motorcycles, heavy trucks, trailers, buses, recreational vehicles and other vehicles, RST is calculated on the purchase price.

### Is RST calculated this way if I buy a used vehicle from an auto dealer?

No. The program doesn't apply to a used vehicle purchased from a motor vehicle dealer licensed under *The Highway Traffic Act*, or from a vehicle leasing company. The program applies to used vehicles purchased from any other business.

### What is "average wholesale price"?

The average wholesale price is the price listed in the Sanford Evans *Gold Book* of used vehicle prices. These prices are compiled from a variety of Canadian wholesale price data for vehicles in average condition with **standard equipment** installed by the manufacturer.

If the average wholesale price of the vehicle you bought privately is less than \$1,000, RST is calculated on the purchase price.

### Will the average wholesale price be adjusted for factory-installed options?

No. Although factory-installed **optional equipment** increases the value of a vehicle, RST is still calculated on the average wholesale price listed for the vehicle with standard equipment.

### What happens if I paid less than the average wholesale price for the vehicle?

If you paid less than the average wholesale price because the vehicle had severe damage or excessive use when you bought it, you have the option of having the vehicle appraised. If you present a completed Motor Vehicle Appraisal Report to your Autopac agent when you register the vehicle, RST is calculated on the **greater** of the purchase price or the appraised value.

Otherwise, RST is calculated on the **greater** of the purchase price or the average wholesale price.

### What is a Motor Vehicle Appraisal Report?

It is a report completed by an authorized appraiser that certifies a vehicle's appraised value. The appraiser conducts a detailed inspection of the vehicle and outlines on the report the damage or condition that affects the value of the vehicle.

Motor Vehicle Appraisal Report forms are available from your Autopac agent or from a Taxation Division office listed on the back of this brochure.

### Who is an "authorized appraiser"?

An authorized appraiser is:

- a new or used motor vehicle dealer that is licensed under *The Highway Traffic Act*, and has a valid RST number, or
- an independent appraisal firm that has facilities and staff qualified to appraise motor vehicles.

### How much does an appraisal cost?

The Taxation Division does not establish the cost for an appraisal. Please contact an authorized appraiser to obtain an estimate of the cost.

### If RST is adjusted because of the Appraisal Report, will the cost of the appraisal be refunded?

No. It is your responsibility to pay the cost of the appraisal.

### What happens if the Appraisal Report is completed after I register my vehicle?

You must pay RST on the average wholesale price when you register the vehicle. You may submit the completed Appraisal Report directly to the Taxation Division with an Application for Refund. Your Autopac agent cannot issue a refund cheque.