



PLEASE NOTE

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CHAPTER R-13.2

REVENUE ADMINISTRATION ACT

REGULATIONS

Pursuant to section 28 of the *Revenue Administration Act* R.S.P.E.I. 1990, Cap. R-13.2, Council made the following regulations:

PART I

REVENUE TAX

- 1.** In this Part “Act” means the *Revenue Tax Act* R.S.P.E.I. 1988, Cap. R-14 and other terms such as “goods”, “purchaser”, “tax” and “vendor” have the same meaning as set out in that Act. (EC390/91) Definitions
- 2.** (1) On or before the twentieth day of each month every vendor shall make a return to the Commissioner in such form as may be approved by the Minister of all sales of goods made by him during the calendar month immediately preceding and shall remit to the Minister the tax collected and deposits received by him during such period. Monthly return
- (2) Notwithstanding subsection (1), a vendor shall make a return to the Commissioner of all sales of goods made by him at any time required by the Commissioner covering such period as the Commissioner may determine, and shall therewith remit to the Minister the tax collected and deposits received by him during such period. Particular returns
- (3) Unless a consolidated return has been approved by the Commissioner, every vendor shall make a separate return in respect of each place of business operated by him. Return for each place of business
- (4) Whenever a vendor is required to make a return of the sales of goods made by him and the vendor has made no sales of goods during the period in respect of which the return is required to be made, he shall make a return setting forth that fact. Return where no sales
- (5) For the purpose of subsection 17(2) of the Act, any person referred to in subsection 17(1) of the Act shall remit to the Minister by certified cheque or bank draft within thirty days after demand all unremitted taxes collected by and deposits received by the vendor prior to the person taking control or possession of the vendor’s property or carrying on or managing the business of the vendor. (EC390/91) Assignee, liquidator, etc. to remit taxes

Particulars	<p>3. (1) Every vendor shall keep and maintain books of account, records and documents sufficient to furnish the Commissioner with the necessary particulars of</p> <ul style="list-style-type: none"> (a) sales of goods; (b) goods purchased or taken from stock by the vendor for his own consumption or use; (c) out-of-province sales; (d) non-taxable sales; (e) taxable sales; (f) amount of tax due or collected; (g) disposal of tax including commission taken.
Preservation of records	<p>(2) Every vendor shall preserve all books of account, records and documents until such time as the Commissioner may authorize their destruction. (EC390/91)</p>
Allowance or commission	<p>4. (1) A vendor may be paid for his services in collecting and remitting the tax, and in receiving and remitting deposits to the Minister a sum equivalent to three per cent of the amount of the tax collected or deposits received by him to a maximum of \$500 in respect of each fiscal year of the province.</p>
Disallowance	<p>(2) The Minister may disallow payments of such allowance to any vendor where he is satisfied that the vendor has failed to receive a deposit or to collect a tax or to make a return required of him by or under the Act or regulations. (EC390/91)</p>
Charged items	<p>5. Where a vendor has made sales on a charge basis without collecting the tax at the time of sale he is obliged to report such sales in his monthly return under the taxable sales heading and report and pay the tax thereon. (EC390/91)</p>
Sale by instalments	<p>6. The tax must be collected on the total of a sale for repayment by instalments, that is to say not only on the amount received in cash but also on the amount of the payments to be received later, but, when interest and finance charges form part of the contract but appear as separate items, the tax is not to be computed on such items. (EC390/91)</p>
Registration of each place of business	<p>7. (1) Where a vendor carries on business at more than one place, he shall obtain a registration certificate in respect of each individual place of business.</p>
Display of certificate	<p>(2) The registration certificate shall be displayed in a prominent place on the premises; provided that in cases where a vendor has no fixed place of business in the province, he shall keep his certificate on his person at all times while doing business and produce it upon request to a purchaser or a duly authorized representative of the Commissioner.</p>

(3) Where agents make sales on behalf of a principal and do not have any fixed place of business, a registration certificate shall be obtained for each agent and, the agent shall keep the certificate on his person at all times while doing business and produce it upon request to a purchaser or a duly authorized representative of the Commissioner. Agents

(4) Where an agent ceases to carry on business in respect of which a registration certificate has been issued, the certificate shall thereupon be void and he shall return the same to the Commissioner within fifteen days of the date of discontinuance. (EC390/91) Return of certificate

8. (1) Subject to the approval of the Minister, the Commissioner may cancel or suspend the registration certificate of any vendor under the following circumstances: Cancellation of vendor's certificate

- (a) where a vendor has been found guilty of an offence under the Act or under any statute of the province or regulations approved pursuant thereto;
- (b) where the Commissioner has reason to believe a vendor has been or is carrying on business in contravention of a statute of the province or regulations approved pursuant thereto;
- (c) where a vendor is in default in remitting tax collected and deposits received by him under the Act; or
- (d) where a certificate has been filed with the Registrar of the Supreme Court under section 13 of the *Revenue Administration Act*.

(2) The Commissioner may reinstate a registration certificate which has been suspended or cancelled under the following circumstances: Reinstatement of cancelled certificate

- (a) where the Commissioner is satisfied that the vendor has complied with the decision of the court in regard to the offence of which he was found guilty;
- (b) where the vendor has remitted to the province all tax collected and the deposits received by him which were due and payable; or
- (c) where the vendor has discharged the certificate filed with the Prothonotary of the Supreme Court by payment of the amount due therein.

(3) Before a refusal, suspension, or a cancellation may be made the vendor shall be afforded an opportunity to appear before the Commissioner to show cause why the issuance of a permit should not be refused or why the permit should not be suspended or cancelled as the case may be. (EC390/91) Vendor may appear

8.01 (1) The Minister may cancel or suspend a permit issued under section 13.1 of the *Revenue Tax Act Regulations* (EC262/60) if the permit holder fails to comply with any provision of the *Revenue Administration Act* or a revenue Act, or any regulations made thereunder. Cancellation of permits

Reinstatement of cancelled permit	(2) The Minister may, after cancelling or suspending a permit, reinstate the permit if the Minister is satisfied that the permit holder has complied with every provision of the <i>Revenue Administration Act</i> or a revenue Act, or any regulations made thereunder, with which the permit holder had previously failed to comply. (EC292/03)
Rebate of tax paid by vendor, uncollected accounts	<p>8.1 (1) Subject to subsection (2), where on or after the first day of April, 1993 a vendor has loaned money or given credit to a purchaser with respect to the purchase price of goods, together with revenue tax payable, and the vendor on behalf of the purchaser has paid the tax to the Minister, the Minister may rebate to the vendor, upon the vendor's application within four years from the date of the purchaser's last credit purchase from the vendor who made the sale, any or all of such tax if the purchaser is shown to have defaulted in repaying to the vendor any or all of the loan or credit given, but no rebate under this section shall be made of any tax where the goods were</p> <ul style="list-style-type: none"> (a) purchased by the purchaser through use of a credit card or other credit arrangement that permitted credit purchases from vendors other than the vendor who made the sale; or (b) purchased from the vendor more than 180 days prior to the date of the purchaser's last credit purchase from the vendor who made the sale.
Bad debt must be written off	(2) No rebate under subsection (1) shall be made where, at the time of the application for such rebate, the indebtedness to the vendor by the purchaser with respect to the purchase price of goods, together with revenue tax, is still included as an asset of the vendor's business or as an account receivable by the vendor in his books of account.
Proportion of sale price liable for rebate	(3) The tax that may be rebated under subsection (1) is that proportion of the tax paid to the Minister with respect to a sale referred to in subsection (1) that the unpaid indebtedness owing by the purchaser to the vendor on such transaction bears to the original purchase price plus revenue tax thereon, of the goods purchased in such sale.
Calculation of indebtedness	(4) For the purpose of calculating the amount of unpaid indebtedness in subsection (3), a reduction shall be made for the proceeds of sale received by the vendor from the goods repossessed and sold on account of such indebtedness, and there shall not be included any amount of interest, finance, carrying, collection or similar charges by the vendor with respect to such sale.
Application	(5) Where a vendor may become entitled to a rebate or rebates under this section, the vendor may apply for the rebate or rebates by making a single application for the rebates for each 12 month period during which the rebate or rebates is claimed, and the rebate or rebates may be claimed

by the vendor by adjustment to his tax return under the Act that is delivered next following his application for rebate, and every application for a rebate shall be supported by such information as is required by the Minister to satisfy him of the entitlement of the vendor to any rebate claimed.

(6) Notwithstanding subsection (5), the Minister may, upon application in writing therefor by a vendor, allow the vendor to apply for and make adjustments for further rebates under this section within a period of less than twelve months from the date of the vendor's last application for rebates under this section. Adjustments

(7) No vendor may claim more than once for a rebate of tax in respect of the same sale. Duplication

(8) Where after receiving a rebate of tax with respect to a sale referred to in subsection (1), a vendor recovers from the purchaser any of the unpaid indebtedness with respect to such sale, the vendor shall repay to the Minister by adjustment to his next tax return delivered under the Act a percentage of the rebate that he received that is equal to the percentage of the indebtedness on such sale that he was able to recover from the purchaser. (EC407/93) Repayment if recovery from purchaser

PART II

HEALTH TAX

9. In this Part "Act" means the *Health Tax Act* R.S.P.E.I. 1988, Cap. H-3 and other terms such as "consumer", "retail vendor", "vendor" and "wholesale vendor" have the same meaning as set out in that Act. (EC390/91) Definitions

10. (1) Every retail vendor shall act as an agent of the Minister and in that capacity Retail vendor to collect tax from consumers

(a) shall collect the tax from the consumer; and

(b) where subsection (2) applies, shall remit the tax to the wholesale vendor.

(2) Where a retail vendor buys tobacco from a wholesale vendor, the wholesale vendor shall act as an agent to the Minister and in that capacity shall collect the tax from the retail vendor except where the retail vendor becomes insolvent. (EC390/91) Wholesale vendor to collect tax from retail vendor

11. (1) The Minister shall allow the wholesale vendor for collecting the tax, a sum equivalent to one point five per cent of the tax collected from the retail vendor to a maximum of \$12,000 for each fiscal year of the Allowance for collection

province, but the Minister may disallow the allowance when the wholesale vendor fails to make returns as required under section 12.

Idem (2) Where the retail vendor buys tobacco from a person not licensed under the Act

(a) the retail vendor is considered for the purposes of section 12 to be a wholesale vendor; and

(b) the Minister may allow the retail vendor for collecting the tax, a sum equivalent to one point five per cent of the tax collected from the retail vendor to a maximum of \$12,000 for each fiscal year of the province, but the Minister may disallow the allowance when the retail vendor fails to make returns as required under section 12. (EC390/91; 208/94)

Returns **12.** (1) On or before the fifteenth day of each month every wholesale vendor shall make a return to the Minister in a form approved by the Minister, of all sales of tobacco made by the wholesale vendor during the calendar month immediately preceding and shall remit to the Minister the tax collected by him during the period.

Idem (2) Notwithstanding subsection (1), a wholesale vendor shall make a return of all sales of tobacco made by him at any time required by the Minister covering such period as the Minister may determine, and shall therewith remit to the Minister the tax collected by him during the period.

Idem (3) Unless a consolidated return has been approved by the Minister every wholesale vendor shall make a separate return for each place of business operated by him.

Idem (4) Where a wholesale vendor is required to make a return of the sales of tobacco made by him and the wholesale vendor has made no sales of tobacco during the period for which the return is required to be made, he shall make a return setting forth the fact. (EC390/91)

Disposal of business **13.** When a vendor disposes of or discontinues his business he must within ten days thereafter, remit any tax collected and unaccounted for and file a statement for the period unreported. (EC390/91)

PART III

GENERAL

Rate of interest **14.** For the purposes of subsections 16(1) and (2) of the *Revenue Administration Act* the prescribed rate of interest is 1.5 per cent per month. (EC390/91)

- 14.1** The penalty that may be levied pursuant to subsection 21(4) of the Act for the issue of a non-negotiable cheque is \$35 in respect of each cheque issued. (EC274/94) Penalty
- 15.** The forms set out in the Schedule are prescribed. (EC390/91) Prescribed forms
- 15.1** The Minister may by notice published in the Gazette designate any officer of the Provincial Treasury to issue and sign notices of assessment and exercise the powers of the Commissioner pursuant to section 3 of the *Revenue Administration Act*. (EC506/95) Notices of assessment
- 15.2** In making an assessment pursuant to the *Revenue Administration Act*, the Commissioner shall not consider a period prior to the sixty months immediately preceding the month in which the assessment is made, except Assessments, back taxes
- (a) with respect to a sale or purchase of goods recorded in the books of account of the taxpayer during the sixty month period immediately preceding the month in which the assessment is made and the delivery of these goods took place prior to that period; or
 - (b) where there is a reasonable appearance of wilful default or fraud to the Commissioner. (EC464/03)
- 16.** Consequentials. (EC390/91) Amendments
- 17.** (1) Any penalty or interest assessed against a taxpayer may be waived by the Commissioner where the penalty or interest results from non-compliance by the taxpayer with the *Revenue Administration Act* or a revenue Act, or any regulations made thereunder, as a result of one or more of the following extraordinary circumstances: Waiver - extraordinary circumstances
- (a) a natural disaster such as a flood, fire or storm;
 - (b) a personal tragedy such as the serious illness or death of, or in the family of
 - (i) a taxpayer, or
 - (ii) a person who oversees and ensures a taxpayer's compliance with the *Revenue Administration Act* or a revenue Act, or any regulations made thereunder;
 - (c) the theft or vandalism of records; or
 - (d) a civil disturbance.
- (2) Any penalty or interest assessed against a taxpayer may be waived by the Commissioner where the assessment is the result of any of the following administrative errors or delays by the Commissioner: Waiver — administrative error or delay
- (a) a delay in processing returns that results in a lengthy delay in informing the taxpayer of amounts owing;
 - (b) incorrect written information being provided to the taxpayer;

- (c) an unreasonable delay in providing required information to the taxpayer;
- (d) an error in materials prepared and distributed by the Commissioner to the general public; or
- (e) a change in the interpretation of the *Revenue Administration Act* or a revenue Act, or any regulations made thereunder, after a tax return has been filed by a taxpayer based on a prior interpretation of the *Revenue Administration Act* or a revenue Act, or any regulations made thereunder.

Decision on waiver (3) The decision of the Commissioner on the waiver of any penalty or interest pursuant to this section is final and is not subject to objection or appeal. (EC185/00)

Refund **18.** (1) An application under subsection 19(1) or 19(5) of the *Revenue Administration Act* for a refund of an amount paid as tax shall be made, in writing, to the Commissioner and shall include

- (a) the reason for requesting the refund; and
- (b) such information or documents, including invoices and receipts, as the Commissioner may require, respecting the payment of the amount of tax for which the refund is requested.

Form (2) Any information or documents required by the Commissioner in respect of an application under subsection (1) shall be provided or presented by the applicant in such form or manner as the Commissioner may require. (EC292/03)

**SCHEDULE
FORM 1
NOTICE OF OBJECTION**

TO: THE PROVINCIAL TAX COMMISSIONER
Notice of objection is hereby given to an assessment under the
Act with respect to tax payable or collected.

NAME OF TAXPAYER OR COLLECTOR
ADDRESS IN FULL
ASSESSMENT NOTICE NUMBER

The following is a complete statement of the facts upon which the objection is based and
sets out the reasons for the objection. (If the space is insufficient, please attach a separate
sheet.)

.....
Date

.....
Signature

(EC390/91)

FORM 2
NOTICE OF APPEAL

TO: THE PROVINCIAL TREASURER

Notice of appeal is hereby given from the decision of the Provincial Tax Commissioner with respect to an objection to an assessment under the Act with respect to tax payable or collected.

NAME OF TAXPAYER OR COLLECTOR

ADDRESS IN FULL

ASSESSMENT NOTICE NUMBER

The following is a complete statement of the facts upon which the objection is based and sets out the reasons for the objection. (If the space is insufficient, please attach a separate sheet.)

.....
Date

.....
Signature

(EC390/91)

FORM 3
HEALTH TAX BRANCH
DEPARTMENT OF THE PROVINCIAL TREASURY
PROVINCE OF PRINCE EDWARD ISLAND
APPLICATION FOR LICENSE TO WHOLESALE TOBACCO

Revoked by (EC292/03)

FORM 4
HEALTH TAX BRANCH
DEPARTMENT OF THE PROVINCIAL TREASURY
PROVINCE OF PRINCE EDWARD ISLAND
APPLICATION FOR LICENSE TO RETAIL TOBACCO

Revoked by (EC292/03)

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FORM 5
HEALTH TAX BRANCH
DEPARTMENT OF THE PROVINCIAL TREASURY
PROVINCE OF PRINCE EDWARD ISLAND
LICENSE - TOBACCO VENDOR

Revoked by (EC292/03)