

Motor Vehicle Parking

Social Service Tax Act

Do you sell parking rights within the Greater Vancouver transportation service region?

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

This bulletin provides specific tax information to help sellers of parking rights 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 \(PST\)](#).

Definitions

The **Greater Vancouver Transportation Authority (TransLink)** is a corporation established to provide a regional transportation system within the Greater Vancouver transportation service region.

The **Greater Vancouver transportation service region** currently includes:

- north to and including Lion's Bay,
- west to and including Bowen Island,
- south to the US border, and
- east to include the municipalities of Langley, Maple Ridge and Pitt Meadows.

A **motor vehicle** is a vehicle, not run on rails, that is designed to be self-propelled, such as a car, truck, sports utility vehicle, recreational vehicle, van and motor cycle.

A **parking right** is the right to park a motor vehicle at a parking site for any period of time.

A **parking site** is any location within the Greater Vancouver transportation service region where a motor vehicle may be parked for a fee or any other consideration.

The **purchase price** is the price paid by the purchaser for the parking right, including the value of any services or property exchanged for that right.

A **purchaser** is anyone who agrees or is obligated to pay for a parking right.

Overview

PST is calculated on the purchase price of parking rights within the Greater Vancouver transportation service region. This includes parking rights that are sold by the hour, month, year or any other basis.

The Ministry of Small Business and Revenue collects the tax on behalf of TransLink. The current tax rate set by TransLink is 7%.

Sales

When to Charge PST

You charge PST on the sale of parking rights within the Greater Vancouver transportation service region, including parking rights sold through ticket vending machines, unless there is a specific exemption from the tax. For details on exemptions, see the section below, [What is Exempt from PST?](#)

The following are examples of taxable parking sites, including parking lots and parkades:

- commercial and municipally run sites, including hospitals, universities and other institutions
- residential building sites where visitors are charged for parking
- hotels, motels, retailers and other businesses if there is a separate charge for parking

Vending Machine Sales

If you sell taxable parking rights through a ticket vending machine, you charge PST at the time of the sale. You may include the PST in the purchase price, as long as you display a sign saying that the PST is included in the price.

If you include the PST in the purchase price, calculate your remittance by using one of the following formulas:

GST and PST Included

$$\text{total sales} \times \frac{\text{tax rate}}{\text{GST} + \text{tax rate} + 100}$$

where *tax rate* is the current parking tax rate.

For example, if you have sales of \$15,000 from parking sold at PST and GST included prices, and the GST rate is 6% and the parking tax rate is 7%, calculate the PST portion as follows:

$$\$15,000.00 \times \frac{7}{113} = \$929.20$$

In this example, the PST to be remitted is \$929.20.

Only PST Included

$$\text{total sales} \times \frac{\text{tax rate}}{\text{tax rate} + 100}$$

where *tax rate* is the current parking tax rate.

When Not to Charge PST

You do not charge PST on parking if:

- there is no fee or other consideration paid for the parking,
- a vehicle is stored rather than parked,
- a vehicle does not meet the definition of a motor vehicle, such as a trailer or other vehicle that is not designed to be self-propelled, or
- there is a specific exemption from PST.

A motor vehicle is stored if it is parked for 28 or more consecutive days between the time it enters the storage location and the time it is removed.

What is Exempt from PST?

The following are exempt from PST:

- residential parking in or near the building where the resident lives, if used as the resident's primary parking while in the residence,
- metered street parking, including pay and display meters that dispense tickets for multiple parking spaces along the street,
- parking sites used solely to park a vehicle that cannot be safely driven,
- parking sites purchased for 28 consecutive days or more to park a motor vehicle used solely for a business purpose,
- parking sites purchased by a person in the leasing business solely to park inventory while not leased,
- parking sites provided with the purchase of temporary accommodation, if there is no separate charge for the parking, and
- parking sites provided with the purchase or lease of space in a building above or near the parking space, if there is no separate charge for the parking.

Bundled Goods and Services

When a non-taxable good or service – such as tent trailer parking– is bundled together with a taxable good or service – such as motor vehicle parking – and sold together for a single price, you charge PST only on the fair market value of the taxable good or service. However, there are some exceptions if the price is \$500 or less. For details, please see [Bulletin SST 119](#), *Bundled Sales: Taxable and Non-taxable Goods or Services Sold Together for a Single Price*.

First Hour Free Parking

If you offer a portion of a parking right free of charge, you charge PST only on the amount that you charge your customer.

Sales to Other Retailers

You do not charge PST on parking rights sold to other retailers for the purpose of resale, 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.

Sales to Members of the Diplomatic and Consular Corps

You do not charge PST on the sale of parking rights to customers who are members of the diplomatic or consular corps.

The customer must show you their diplomatic or consular identity card (issued by Foreign Affairs Canada) and British Columbia must be listed on the back of the card as a province granting exemption. To show why you did not charge PST, your records must show the number and expiry date of your customer's identity card on the sales invoice or in a logbook kept for this purpose, and your customer's signature. For more information, please see [Bulletin GEN 006](#), *Exemption for Members of the Diplomatic and Consular Corps: Instructions to Vendors and Operators*.

Purchases

When to Pay PST

You pay PST on the purchase of parking rights that you use in your business. For example, a valet service pays PST when it purchases parking rights for use in providing a parking service to their customers. The valet service is considered to be purchasing the parking rights for their own use to provide a service. The valet service does not charge their customer PST because the customer is purchasing a service, not a parking right.

If the seller does not charge you PST on parking rights that you purchase for use in your business, you self-assess and record the PST due at Step 3 of your next return.

If you do not have a PST registration number, you self-assess the PST due using a *Return of Tax Due on Taxable Tangible Personal Property by a Purchaser/Seller Not Registered under the Social Service Tax Act* form ([FIN 428](#)). This form is available from the ministry or any Service BC-Government Agent office. You will also find it on our website at www.sbr.gov.bc.ca/ctb/forms.htm

When Not to Pay PST

You do not pay PST on parking rights that you purchase for resale. For example, if a hotel purchases parking rights to resell to a valet service, the hotel may purchase the parking rights without paying PST.

To purchase parking rights without paying PST, give the supplier your PST registration number.

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

If you purchase parking rights to give away free of charge, you are not purchasing for resale. In this case, you pay PST on your purchase of the parking rights.

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* and Regulations are on our website at www.sbr.gov.bc.ca/ctb

References: *Social Service Tax Act*, Sections 1, 61-65.1, 78(4) and 134, and Regulation 2.40