

What Visitors Should Know



Ministry of
Small Business
and Revenue

Welcome To British Columbia!

We hope you enjoy your visit. While in British Columbia, you may purchase or lease goods, pay for labour services or stay in hotels or other accommodation. This brochure answers questions about how provincial taxes apply to these types of items.

SOCIAL SERVICE TAX

Social service tax (PST) is British Columbia's retail sales tax. It applies to the following.

- > Retail merchandise purchased or leased in the province
- > Certain labour services such as automobile repairs, engine tune-ups and camera repairs
- > Short-term rentals of passenger vehicles
- > Motor vehicle parking charges in most parking sites in the Vancouver region
- > Telecommunication services

As well, environmental levies apply to new tires and new lead-acid batteries purchased in the province.

The provincial taxes described in this brochure are separate from the federal goods and services tax (GST). Information on GST is available from Canada Revenue Agency (www.cra.gc.ca). When provincial taxes are calculated, GST is not included.

ARE ALL PURCHASES AND LEASES TAXED?

No, you may purchase or lease certain goods and labour services without paying PST. Exempt goods include clothing and footwear for children under 15, all food products for human consumption, restaurant meals, books, magazines, newspapers, medications and bicycles.

Labour services that are not taxed include automobile towing and emergency battery boosting, clothing alterations and services to exempt items (such as bicycle repairs, dry cleaning and laundry and personal services like hairdressing).

HOW MUCH TAX IS CHARGED?

A 7% sales tax applies to most taxable purchases and leases. The exceptions are as follows.

PASSENGER VEHICLES

- > 7% tax applies to the purchase, lease or rental of a passenger vehicle, except passenger vehicles priced over \$55,000, which are taxed at up to 10%.
- > 7% tax applies to purchases and leases of all motor vehicles that are not classed as passenger vehicles.
- > In addition to PST, a passenger vehicle rental tax of \$1.50 per day applies to passenger vehicles rented for 28 consecutive days or less. This rental tax does not apply to recreational vehicles and trailers or other motor vehicles that are not classed as passenger vehicles.

ENVIRONMENTAL LEVIES

The following environmental levies are in addition to PST.

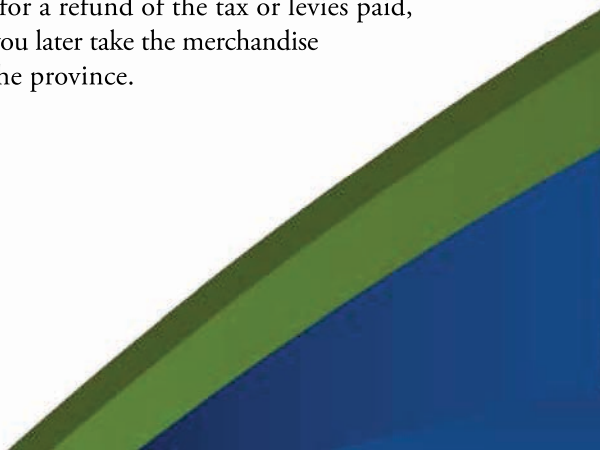
- > A \$3 environmental levy applies to new tires designed for motor vehicle use priced at \$30 or more.
- > A \$5 environmental levy applies to new lead-acid batteries weighing two kilograms or more.

ALCOHOLIC BEVERAGES

- > 10% tax applies to purchases of alcoholic beverages

ARE THERE REFUNDS FOR VISITORS?

No, if you purchase and take delivery of the merchandise in British Columbia, **you are not** eligible for a refund of the tax or levies paid, even if you later take the merchandise out of the province.



ARE VISITORS ELIGIBLE FOR ANY SPECIAL EXEMPTIONS?

Non-residents who purchase items in British Columbia are allowed an exemption from tax and environmental levies **only if** the seller ships or delivers the items to a location outside British Columbia.

On motor vehicle purchases, non-residents may be eligible for a point-of-purchase exemption or a refund of the tax paid, if **all** of the following conditions are met.

- > You are not a resident of British Columbia and can provide proof of non-residence.
- > The vehicle is purchased primarily for use outside British Columbia and will not be used in the province for business purposes.
- > The vehicle will not be registered in B.C.

Non-residents who purchase and take delivery of a vehicle in British Columbia must pay the applicable levies. Even if the purchase qualifies for a point-of-purchase exemption from, or a refund of, sales tax, the environmental levies paid are not refundable.

For more information on how tax and environmental levies apply to motor vehicles purchased by non-residents, please refer to Bulletin SST 007, *Purchases of Vehicles by Non-Residents*.



HOTEL ROOM TAX

The hotel room tax rate is 8%. It is charged in hotels, motels, resorts, bed and breakfasts and similar establishments. An additional amount up to 2% may be added as a municipal and regional district tax. The total tax charged cannot exceed 10%.

IS ALL ACCOMMODATION FOR VISITORS TAXED?

The following types of accommodation are exempt from the hotel room tax:

- > tent or trailer sites
- > accommodation provided in tents
- > lodging provided in any establishment that offers less than four units of accommodation
- > lodging priced at \$30 or less per day, or \$210 or less per week
- > lodging occupied by the same person for a continuous period of more than one month*
- > accommodation without amenities (units that are not supplied with bedding, heat, electricity or indoor plumbing)

*Tax applies to charges for the first month of occupancy. No further tax applies thereafter, and the tax already paid is refundable by the accommodation operator.

CAN I GET A REFUND OF HOTEL ROOM TAX?

No, hotel room tax paid on taxable accommodation is not refundable.

MORE INFORMATION

Toll-free within Canada: 1 877 388-4440

In Vancouver area call: 604 660-4524

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