

Exemption For Non-Motorized Two Wheel Bicycles

Social Service Tax Act

This bulletin outlines the application of social service tax to the sale of bicycles, bicycle parts, accessories, and safety equipment, and to charges for repair and installation of such items.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations can be found on the web at www.gov.bc.ca/sbr

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BICYCLES

Under the *Social Service Tax Act*, non-motorized two wheeled bicycles are exempt from tax. Social service tax does not apply to the sale or lease of such bicycles.

Tricycles, unicycles and non-motorized scooters do not qualify for this exemption. Tax must therefore be collected on the sale or lease price of such items.

BICYCLE PARTS

Repair or replacement parts for non-motorized two wheeled bicycles qualify for exemption when purchased over the counter or installed by the seller. Charges for services provided to repair bicycles or install replacement parts are also exempt from tax.

Exempt bicycle parts include the following:

- Frame and fork sets

- Handle bar stems, tape, grips, and end plugs
- Wheels and tubes
- Tires
- Rim tapes
- Pedal assemblies
- Chain and gear assemblies, chain guards
- Brake assemblies
- Fenders
- Shock absorbers
- Seats

BICYCLE ACCESSORIES

Accessory items may only be sold exempt from tax if installed on a two wheel bicycle by the seller at the time the bicycle is sold. Charges for installation are also exempt from tax at this time.

Sales of accessories and charges for installation which occur subsequent to the time the bicycle is sold are subject to social service tax.

Accessories that may be purchased exempt if installed at the time of sale include the following:

- Pump, pump clips, hoses, hose accessories
- Carriers including handle bar bags, rat traps, baskets, panniers, saddlebags, tool bags
- Toe clips, toe straps

- Drinking bottle, bottle cage
- Bells and horns
- Mirrors
- Kickstands
- Streamers and flags

Items such as oil and grease, tube repair kits, bicycle trailers, and pant clips are not considered to be either parts or accessories of the bicycle and are subject to the social service tax, regardless of when they are purchased.

SAFETY EQUIPMENT

The following safety related equipment used by bicyclists is exempt from social service tax regardless of when the item is purchased. Any charges to repair, install, or assemble the following items are also exempt from tax:

- Lighting assemblies for bicycles including generators, batteries for bicycle lights, and bulbs

- Reflectors for bicycles
- Bicycle helmets
- Safety vests and safety bibs, the sole purpose of which is to enhance the visibility of the wearer

NEED MORE INFO?

This bulletin is provided for convenience and guidance. If you still have questions call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440 elsewhere in Canada or refer to the legislation.

Information is also on the web at www.gov.bc.ca/sbr While there, you can subscribe to our free electronic update service.

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