

## Out-of-Province Purchases: Goods for Personal Use

### *Social Service Tax Act*

Social service tax (PST) applies to all tangible personal property (goods) purchased outside of British Columbia that is carried or shipped into the province for use. The information in this bulletin will assist residents of British Columbia who purchase goods for personal use in other Canadian provinces in determining when they should pay British Columbia PST.

For more information on goods purchased in other countries refer to [Bulletin SST 013](#), *Collection of British Columbia Tax on Non-commercial Goods Imported by British Columbia Residents at International Borders*.

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](http://www.gov.bc.ca/sbr)

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#### **WHAT ARE GOODS FOR PERSONAL USE?**

Anything you purchase that is not used in a business is a good for personal use. Goods for personal use include automobiles, clothing, furniture, electronics and most other things commonly used in a household.

Tax only applies to goods that would normally be taxable if purchased in British Columbia. For example, since there is no PST on school supplies, groceries or children's clothing purchased in British Columbia, there is no British Columbia PST when you purchase these goods in another province.

Businesses who bring goods into the province for resale or for use in their business should refer to [Bulletin SST 043](#), *Goods Purchased from Out-of-Province Suppliers*.

#### **WHEN DO I PAY TAX ON GOODS PURCHASED IN OTHER CANADIAN PROVINCES?**

Residents must pay PST on all goods for personal use that are purchased in another Canadian province and are carried or shipped into British Columbia for use. PST is due when the goods enter the province.

#### **Goods Purchased in Another Province**

If you purchase goods while you are outside of British Columbia and bring them back, you are required to calculate and pay the PST when the goods arrive in the province.

If you mailed the goods to yourself, you must calculate and pay the tax when the goods arrive.

#### **Goods Mailed into British Columbia by a Seller in Another Province**

When you purchase goods by phone, over the internet, or from a catalog, the seller may automatically add the PST to your invoice. If the seller does not add the PST to your invoice, you are required to calculate and pay the tax when the goods arrive.

## GIFTS RECEIVED OUTSIDE OF BRITISH COLUMBIA

Effective February 18, 2004, residents who receive a gift in another Canadian province, **from another resident of British Columbia**, are required to pay PST on the fair market value of the gift when the gift arrives in the province.

You are required to pay PST on a gift if:

- the gift is from another resident,
- the gift is brought or sent into British Columbia, and
- the person who gave you the gift did not pay a provincial or territorial sales tax, other than GST, at the time of purchase, or
- the person who gave you the gift paid a sales tax, other than GST, at the time of purchase but is eligible for a refund of the tax paid.

Gifts received from non-residents or transferred from the estate of a deceased are not taxed.

If a British Columbia resident mails a gift to you from outside of the province, you are required to pay PST on the fair market value of the gift if all of the above criteria are met.

### Buying Gifts Outside of British Columbia

Goods purchased outside of British Columbia that you intend to give to another resident once you return remain taxable. In this situation, you are required to pay PST on the purchase price of the gift when you bring it into the province.

## HOW DO I PAY PST ON GOODS PURCHASED IN OTHER PROVINCES?

To pay PST on goods purchased or gifts received in another province, you must submit a casual remittance form (**FIN 428**). List the value of each item you brought into British Columbia by entering the price of the goods you purchased and the fair market value of gifts you received.

If you bring a vehicle in from another province, the Insurance Corporation of British Columbia (ICBC) will calculate the amount of PST and collect it from you.

If you receive a vehicle as a gift and you do not have a receipt that shows tax was paid in another province when you register the vehicle, ICBC must collect the tax. You may apply for a refund at a later date. To apply for a refund you must submit an *Application for Refund of Social Service Tax Paid on a Motor Vehicle (FIN 413MV)* to the Ministry of Small Business and Revenue.

### NEED MORE INFO?

This bulletin is provided for convenience and guidance.

If you have any questions, call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440, or e-mail your questions to [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

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

References: *Social Service Tax Act*, Sections 1 and 11