

## Purchases by Non-Residents of British Columbia

### *Social Service Tax Act*

The *Social Service Tax Act* imposes tax and applicable environmental levies on general merchandise and some services purchased in the province by non-residents. In the circumstances outlined in this bulletin, non-residents may be eligible for an exemption from tax or for a refund of tax paid.

This bulletin does not apply to purchases of vehicles or aircraft by non-residents. For more information, please refer to [Bulletin SST 007](#), *Purchases of Vehicles by Non-Residents* and [Bulletin SST 051](#), *Aircraft*.

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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### **PURCHASES OF MERCHANDISE**

#### **Purchases for Own Use Eligible for Exemption**

General merchandise purchased by non-residents for their own use outside the province may only be purchased exempt from social service tax and environmental levies if one of the following criteria is met:

- The merchandise is delivered by the seller in the seller's own vehicle to a point outside of the province, without any use by the purchaser in the province.

The form *Out-Of-Province Delivery Exemption (FIN 448)*, available from the Consumer Taxation Branch, must be completed and signed by both the purchaser and the seller. Alternatively, a seller may use a rubber stamp in the following form:

The stamp must be placed on all copies of invoices, bills of sale, and must be signed by the seller allowing the exemption and the purchaser.

I certify that the goods purchased as described on this invoice have been delivered outside the Province of British Columbia by the seller of the goods	
_____ Purchaser's Signature	_____ Date
_____ Seller's Signature	_____ Date

The seller must retain the completed form ([FIN 448](#)) or stamped invoices on file to justify why the PST and levies (if applicable) were not collected.

- The merchandise is delivered by the seller to a common carrier, customs broker, or forwarding agent for shipment outside of this province to the purchaser.

A forwarding agent is someone hired by the seller who organizes a delivery order, but never takes ownership of the goods. Typically, such individuals are hired when there is a large project which requires the shipping of a number of different goods.

- The merchandise is sold to a common carrier for use in the conduct of its business

outside this province, and the goods are shipped by the seller via the purchasing carrier under a bill of lading.

- The merchandise is sold to a foreign purchaser and the goods are delivered by the seller to a ship, airplane, or other common carrier for the purpose of carrying the property outside the province. Title and control of the property does not pass to the foreign purchaser until delivery is complete, and no portion of the property is used or consumed in the province.

All documents relating to the delivery of goods sold to non-residents, such as bills of lading, signed forms, or certificates, must be retained by the seller in support of these exemptions.

### Taxable Transactions

**No exemption applies** to transactions where a non-resident purchaser takes delivery of the goods in the province, even if the goods are later removed from the province. The seller is required to charge social service tax on the full sale price and the applicable levies at the time the sale takes place. However, in very limited circumstances, the non-resident purchaser may be entitled to apply for a refund of the social service tax and levies paid (see the section on **Refunds**).

### Purchases for Resale

Where merchandise is sold to a non-resident claiming to be purchasing the goods for resale or for incorporation into property which will be resold, the sale may be made without collection of tax only if all of the following criteria are met.

- The purchaser completes and signs a *Certificate of Exemption* form (**FIN 453**).
- In allowing the exemption, the vendor is satisfied that the circumstances of the sale indicate that the criteria for non-collection of tax have been met. That is, the goods will be removed from the province, without use in the province, by a person purchasing the goods for resale. Evidence that the criteria have been met includes: the goods are invoiced to a business, the quantity of goods purchased are unlikely to be for personal use, and the purchaser provides an out-of-province business licence or tax registration.

The seller must retain the signed Certificate and any supportive documentation to substantiate non-collection of tax on that sale. Certificates of Exemption are available from the Consumer Taxation Branch or any Service BC-Government Agent office.

**Certificates of Exemption may only be used** by persons who do not regularly make retail sales in the province. Persons who do make regular sales in the province are required to be registered as vendors. This includes out-of-province contractors who undertake time and material contracts in the province.

## PURCHASES OF TAXABLE SERVICES

### Taxable

Tax applies to charges for services provided to non-residents to install, assemble, dismantle, repair, adjust, restore, recondition, refinish, or maintain tangible personal property while they are visiting British Columbia.

### Exemption

Tax does not apply to the charge for such services where the goods are brought or sent into British Columbia solely to receive taxable services and, immediately after receiving the services, are removed from the province.

To substantiate non-collection of tax on such sales, the person providing the services must obtain documentation verifying the circumstances of the sale. When available, shipping invoices or bills of lading showing the date the item was shipped from the repairer's shop to an out-of-province location will be accepted as verification. If shipping invoices are not available, a written statement, signed by the customer, must be obtained.

## REFUNDS OF TAX OR LEVIES PAID BY NON-RESIDENT PURCHASERS

### Purchases Eligible for Refund

Where the circumstances of the sale do not meet the requirements for exemption, the non-resident purchaser may apply to the Consumer Taxation Branch for a refund of the tax paid provided one of the following conditions is met.

- The goods are removed from the province, without use in the province, by a dealer purchasing the goods for resale purposes and the goods are subsequently resold. The dealer must provide satisfactory proof that the goods were resold, and were not used by the dealer. In these circumstances, levies paid may also be refunded if the dealer provides satisfactory proof that the tires or batteries were resold.
- By the nature of the goods purchased, no use could be made of them in the province before removal from British Columbia and

acceptable proof is provided to support the fact that they were removed from the province for use outside of the province. Examples of such items would include lumber and building materials. Goods which do not qualify for this refund would include jewelry, clothing, cameras, household goods, sporting goods, boats, slide-on campers, and arts and crafts items.

- Tax was erroneously paid on purchases of general merchandise or taxable services that meet the criteria for exemptions.

### **Where to Apply for a Refund**

Claims for refunds of tax paid must be submitted by the non-resident purchaser to the

Consumer Taxation Branch  
PO Box 9443  
Victoria BC V8W 9V4

Claims must be made within six years from the date of purchase.

The Consumer Taxation Branch requires that all claimants provide satisfactory proof of payment of tax and of removal of the goods from the province before a refund can be approved. The type of documentation required includes invoices and bills of lading showing delivery to the out-of-province destination by a common carrier, or other documentation, such as accounting records and contract tender documents, which would substantiate the out-of-province use of the items purchased in the province.

### **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](http://www.gov.bc.ca/sbr) While there, you can subscribe to our free electronic update service.**

**References:** *Social Service Tax Act*, Sections 1, 2, 2(4), 2.04, 2.4, 4(1)(j), 39 and Regulations 2.45(b), 3.4