

Houseboats and Other Floating Buildings

Social Service Tax Act

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Clarified definition of
portable buildings

This bulletin outlines the application of social service tax, also called the provincial sales tax (PST), to the sale of floating home units, generally referred to as houseboats, that are not self-propelled. Houseboats that are self-propelled are subject to tax as boats or vessels.

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

In this issue...

- **Houseboats manufactured in British Columbia**
- **Houseboats manufactured out of the province**
- **Taxable services**
- **Self-propelled vessels**

HOUSEBOATS MANUFACTURED IN BRITISH COLUMBIA

The *Social Service Tax Act* provides an exemption from tax on the retail sale of portable buildings manufactured in the province, provided certain conditions are met.

Portable buildings are buildings constructed like a conventional building, or made out of rigid building material, that are designed to be moved from location to location. Portable buildings are only those structures that are designed to be moved as a whole building. They do not include fabric structures, tents, or other structures that must be dismantled into component parts to be relocated. Portable buildings that satisfy certain criteria are exempt from tax.

Houseboats or other floating structures manufactured in the province qualify for the exemption from tax as a portable building, provided all of the following conditions are met.

- The structure, including any sundeck, covers most of the deck area of a floating platform or barge, except for an access walkway around the perimeter.
- The primary purpose of the platform or barge is the flotation of that structure.
- The structure and platform or barge are sold as a unit.
- The unit is designed to be used as a building and not as a means of transportation.
- The unit is not designed to be self-propelled.
- The unit is not a "manufactured home" designed for residential purposes. For more information refer to [Bulletin SST 014, *Manufactured Homes for Residential Use*](#).
- The unit is not designed for use on residential property.

When a floating structure meets all of the criteria outlined above, the manufacturer or dealer may sell the entire unit without collecting tax. Subsequent sales or leases of such units are not subject to tax.

More Info: [Bulletin SST 048, *Sales and Leases of Portable Buildings*](#)

The manufacturer is required to pay tax on its cost of materials used or consumed in constructing the unit. However, effective July 31, 2001, a manufacturer of houseboats may qualify for an exemption of tax on the purchase of certain production machinery and equipment used to manufacture the units.

More Info: [Bulletin SST 054, *Manufacturers*](#)

The manufacturer may also apply for a refund of the tax paid on materials used to construct houseboats that are exported for use outside of the province.

Claims for a refund of tax should be made on an *Application for Refund of Social Service Tax or Hotel Room Tax* form (**FIN 413**). This form is available from any Consumer Taxation Branch or Service BC-Government Agent office and is available on our web site at www.sbr.gov.bc.ca/ctb

Floating structures that do not meet the conditions for exemption as portable buildings are subject to PST on the full purchase or lease price. See the section on SELF-PROPELLED VESSELS below.

HOUSEBOATS MANUFACTURED OUT OF THE PROVINCE

Some businesses that are located outside British Columbia and regularly sell goods to British Columbia purchasers are required to register with the branch.

More Info: [Bulletin SST 074](#), *Out-of-Province Sellers*

Out-of-province manufacturers or dealers who are registered under the *Social Service Tax Act* in British Columbia may sell houseboats that qualify as portable buildings to British Columbia residents exempt from tax, provided that the dealer or manufacturer remits PST on its cost of materials used to manufacture the unit.

Where a houseboat is purchased from an out-of-province dealer or manufacturer who is not registered in British Columbia and who has not remitted tax on its cost of the unit, the purchaser is required to pay PST on the purchase price of the houseboat. This includes transportation charges and all other costs and expenses, other than the federal goods and services tax (GST), that are incurred prior to the use of the houseboat in the province.

PST should be remitted directly to the Minister of Finance through 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 any Consumer Taxation Branch or Service BC-Government Agent office, as well as on the branch's website at www.sbr.gov.bc.ca/ctb Subsequent retail sales or leases of such units are not subject to tax.

TAXABLE SERVICES

The Act defines a taxable service as any service provided to install, assemble, dismantle, repair, adjust, restore, recondition, refinish or maintain tangible personal property. Tangible personal property means personal property that can be seen, weighed, measured, felt or touched, or that is in any other way perceptible to the senses, and includes fixtures other than prescribed types of fixtures.

Taxable services provided to houseboats that qualify as portable buildings are specifically exempt from tax. The exemption applies whether the houseboat is manufactured in British Columbia or outside the province. The exemption extends only to the installation and repair of the houseboat itself. It does not apply to equipment that may be added to the houseboat. For example, the charge for installing a furnace in a houseboat would not qualify for the exemption.

SELF-PROPELLED VESSELS

Self-propelled vessels, such as sail boats, power boats and yachts, do not qualify as portable buildings. They are subject to tax on the purchase price, even if the purchaser or lessee intends to live on board the vessel for considerable periods of time.

Please note that effective February 20, 2002, boats brought into British Columbia by non-resident individuals are exempt from tax provided they are not used for business purposes.

More Info: [Bulletin SST 008](#), *Application of Tax to Boat Leases and Charters*, [Bulletin SST 114](#), *Boat Sales and Purchases* and [Bulletin SST 115](#), *Non-Residents: Boats, Travel Trailers and Other Goods Brought Into the Province*

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 call toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

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