

Items Brought Into British Columbia By New Residents

Social Service Tax Act

The *Social Service Tax Act* imposes tax on goods brought into British Columbia for use. As a new resident, however, you may be eligible for an exemption from the tax on personal property you bring into the province. This bulletin answers questions you may have about this exemption, including the criteria that must be met in order to qualify.

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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WHAT IS SOCIAL SERVICE TAX?

Social service tax is British Columbia's provincial retail sales tax. The tax is imposed on goods that are:

- purchased at a retail sale in the province,
- leased or rented in the province, or
- brought in from outside British Columbia for use in the province.

WHO IS A NEW RESIDENT?

For the purposes of this exemption, you are a new resident if:

- you were previously a resident of another jurisdiction and have never resided in British Columbia, or

- you previously resided in British Columbia, but gave up your residency here and lived somewhere else as your principal residence for longer than six consecutive months.

If you have been a resident of British Columbia for the past six months, or have temporarily lived outside British Columbia but did not give up residency in this province, you are not eligible for the exemption. You are required to pay tax on goods purchased elsewhere and brought into British Columbia for use in this province.

WHAT ITEMS ARE ELIGIBLE FOR THIS EXEMPTION?

As a new resident, you may bring your personal household goods, equipment, motor vehicles, and boats into British Columbia without paying social service tax if **all three** of the following criteria are met.

- The items are for your own **personal** use.
- You have **owned, physically possessed, and used** the items for at least 30 days before taking up residence in British Columbia.
- You bring the items into British Columbia within six months of taking up residence in this province, or would have if it was not for circumstances that made it impractical for you to bring them in within six months.

Placing an order for a motor vehicle or other goods 30 days or more before you come to British Columbia does not meet the criteria for exemption. You must actually have owned, physically possessed, and used the item for at least 30 days before taking up residence in the province. Goods that are transported by a third party are not considered to be "physically possessed" by the new resident while they are in transit.

WHAT IF I AM UNABLE TO BRING ALL MY PERSONAL EFFECTS INTO THE PROVINCE WITHIN SIX MONTHS?

Personal goods which arrive six months after you take up residence in British Columbia may qualify for exemption if circumstances made it impractical to bring the goods into the province at an earlier date. For example, if you initially took up residence in an isolated area of the province and were limited as to what you could bring to this temporary place of residence, personal effects which otherwise meet the criteria for exemption may be brought into the province after six months exempt from tax.

BUSINESS USE

Can I Bring Goods Into The Province for Business Use Without Paying the Tax?

No. Social service tax must be paid on the full value of goods you bring into British Columbia for business or commercial purposes.

Motor vehicles and other goods and equipment registered in the name of a proprietorship, partnership, or limited company are considered to have been brought into the province for business or commercial use. Social service tax must be paid on such items.

A personal vehicle registered and licensed in your name, which you also use to do business for your employer, may qualify for exemption, even if you receive compensation from your employer for business use of the vehicle. To find out if you are eligible for the exemption in such a situation, contact your local Consumer Taxation Branch office.

Can I Bring Personal Effects into the Province and Subsequently Use them for Business Use Without Paying Tax?

Yes, under certain conditions, effective July 1, 1998, an exemption is provided for settler's effects (e.g., personal goods) brought into the

province and subsequently converted to a taxable business use by a new resident of British Columbia. Examples of personal goods brought into the province exempt from tax as settler's effects and eligible to be later converted to business use include:

- tools which later become used in a repair business, and
- a microwave oven or stove later used in a catering business.

This exemption applies only if the conversion to a business use does not occur within the first six months after the property is brought into the province, and one of the following conditions is met:

- satisfactory evidence is provided to the commissioner that tax was paid on the goods to another province and the new resident was not eligible for a refund or rebate of the tax paid, or
- the settler's effect is not a vessel, motor vehicle, or aircraft and has been owned, physically possessed, and used by the new resident for more than three years before moving to British Columbia.

LEASED GOODS

Can I Bring in Leased Items Without Paying the Tax?

No. Household goods, equipment, and motor vehicles that you lease do not qualify for exemption because you do not own them. You must pay social service tax on each lease payment for all lease periods during which the leased items are in British Columbia.

If you later exercise an option to purchase contained in the lease agreement, tax applies to any consideration you pay to obtain title to the item.

How is the Tax Collected on a Leased Motor Vehicle that I Register in British Columbia?

Tax is collected by your Insurance Corporation of British Columbia (ICBC) Autoplan agent when you register a motor vehicle. If you bring a leased motor vehicle into British Columbia and register it in your name, or in your name and the name of the person or company leasing the vehicle to you, the following apply.

- If the person or company leasing the vehicle to you is registered to collect social service tax and has confirmed in writing, either in the lease or by letter, that they will collect and remit the required tax, you may register the vehicle without paying tax. Your Autoplan

agent will ask to see the written confirmation.

- If that person or company is not registered to collect social service tax or, if registered, has not confirmed in writing that they will collect the required tax, you will be required to pay social service tax on the full value of the vehicle at the time of registration.
- If the lease is terminated, or the vehicle is removed from the province for registration outside the province, you may apply for a refund equal to the difference between the tax paid when you registered the vehicle, and the tax that would otherwise have been payable on the lease payments while the vehicle was used in the province.

To apply for a refund, obtain an *Application for Refund* form (**FIN 413**), and send the completed application to:

Refund Section Consumer Taxation Branch
PO Box 9443 Stn Prov Govt
Victoria BC V8W 9V4

You must include satisfactory documentation verifying payment of the tax and the date tax was paid.

More Info: [Bulletin GEN 008](#), *Refunds of Overpayments of Tax*

Forms and bulletins are available from all Consumer Taxation Branch and Service BC-Government Agent offices.

PAYMENT OF TAX

How Do I Pay the Tax Due on Other Taxable Items?

Obtain 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**) from the nearest Consumer Taxation Branch or Service BC-Government Agent office. Instructions for completing the form and remitting the tax are on the form.

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 1, 9(1.1), 11, 20.1, 21 and Regulation 3.12