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WHAT VISITORS SHOULD KNOW



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Welcome To British Columbia!

We hope you enjoy your visit. While in British Columbia, you may purchase or lease goods, pay for labour services or stay in hotels or other accommodation. This brochure answers questions about how provincial taxes apply to these types of items.

The provincial taxes described in this brochure are separate from the federal goods and services tax (GST). Information on GST is available from the Canada Revenue Agency (www.cra.gc.ca). When provincial taxes are calculated, GST is not included.

Social Service Tax

Social service tax, also called the provincial sales tax (PST), is British Columbia's retail sales tax. It applies to the following:

- goods purchased in the province, such as souvenirs,
- goods leased or rented in the province, such as boats and sports equipment,
- certain labour services, such as automobile repairs, engine tune-ups and camera repairs,
- short-term rentals of motor vehicles, such as cars, scooters and trailers,
- motor vehicle parking charges in most parking sites in the Vancouver region, and
- telecommunication services, such as prepaid long distance/cellular cards.

As well, a provincial environmental levy applies to new lead-acid batteries purchased in the province.

ARE ALL PURCHASES AND LEASES TAXED?

No. You may purchase or lease certain goods and labour services without paying PST. Exempt goods include clothing and footwear for children under 15, all food products for human consumption, restaurant meals, books, magazines, newspapers, medications and bicycles.

Labour services that are not taxed include: automobile towing; emergency battery boosting and roadside tire changing; clothing alterations; dry cleaning and laundry; personal services, such as hairstyling and beauty treatments; and services to exempt items, such as bicycle repairs.

HOW MUCH TAX IS CHARGED?

You pay a 7% sales tax on most taxable purchases, leases and rentals. The following are exceptions to the 7% sales tax.

Passenger Vehicles

- Purchases, leases and rentals of passenger vehicles priced over \$55,000 are taxed at up to 10%.
- In addition to PST, a passenger vehicle rental tax of \$1.50 per day applies to passenger vehicles rented for periods of
 - more than 8 consecutive hours, and
 - 28 consecutive days or less.

This rental tax does not apply to recreational vehicles and trailers, or other motor vehicles that are not classed as passenger vehicles.

Environmental Levy

- A \$5 dollar environmental levy applies to new lead-acid batteries weighing 2 kg or more. This levy is in addition to PST. PST is not charged on the battery levy.

Alcoholic Beverages

- A 10% tax applies to purchases of alcoholic beverages.

ARE THERE REFUNDS FOR VISITORS?

No. If you purchase and take delivery of the goods in British Columbia, **you are not** eligible for a refund of the PST or levy paid, even if you later take the goods out of the province.

ARE VISITORS ELIGIBLE FOR ANY SPECIAL EXEMPTIONS?

Yes. You are allowed an exemption from PST and the environmental levy **only if** the seller ships or delivers the items to a location outside British Columbia.

On motor vehicle purchases, you may be eligible for a point-of-purchase exemption or a refund of the PST paid, if **all** of the following conditions are met:

- you are not a resident of British Columbia and can provide proof of non-residence,
- you purchase the vehicle primarily for use outside British Columbia and the vehicle will not be used in the province for business purposes, and
- the vehicle will not be registered in British Columbia.

If you purchase and take delivery of a vehicle in British Columbia, you need to pay the applicable levy. Even if the purchase qualifies for a point-of-purchase exemption from, or a refund of, PST, the environmental levy you pay is not refundable.

Hotel Room Tax

The hotel room tax rate is 8%. It is charged in hotels, motels, resorts, bed and breakfasts, and similar establishments. An additional municipal and regional district tax of up to 2% may also be

charged in various areas of the province. The total taxes charged on accommodation cannot exceed 10%.

IS ALL ACCOMMODATION FOR VISITORS TAXED?

No. You do not pay hotel room tax on the following types of accommodation:

- tent or trailer sites,
- accommodation provided in tents,
- lodging provided by an operator who offers less than four units of accommodation in British Columbia,
- lodging priced at \$30 or less per day, or \$210 or less per week,
- lodging occupied by the same person for a continuous period of more than one month*, and
- accommodation without amenities (units that are not supplied with bedding, heat, electricity or indoor plumbing).

*Tax applies to charges for the first month of occupancy. After the first month, no further tax applies, and the tax already paid is refundable by the accommodation operators.

CAN VISITORS GET A REFUND OF HOTEL ROOM TAX?

No. The hotel room tax you pay on taxable accommodation is not refundable.

More Information

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