

## Notice to Lessors of Passenger Vehicles: Passenger Vehicle Rental Tax (PVRT)

*Social Service Tax Act*

### Exemption from the Passenger Vehicle Rental Tax

Effective April 1, 2008, the passenger vehicle rental tax (PVRT) of \$1.50 per lease per day does not apply to passenger vehicles leased for **8 consecutive hours or less**.

This means that effective April 1, 2008, the PVRT applies to all passenger vehicles leased for periods of:

- more than 8 consecutive hours, and
- 28 consecutive days or less.

This applies to passenger vehicles leased from all lessors, including rental companies, membership-based vehicle sharing organizations, and automotive service facilities that provide courtesy vehicles to their customers.

### Retroactive Exemption for Membership-based Vehicle Sharing Organizations

Budget 2008 clarifies that prior to April 1, 2008, vehicles leased by membership-based vehicle sharing organizations to their members are exempt from the PVRT. This means that membership-based vehicle sharing organizations do not need to charge the PVRT **prior to April 1, 2008**.

This exemption applies to all leases entered into before April 1, 2008, to members of organizations that:

- require the payment of a refundable share-purchase fee or annual membership fee in order to become a member of, and retain membership in, the organization,
- lease passenger vehicles only to its members, and
- store its vehicles for leasing at un-staffed, self-service locations, where members can access the vehicles at all times.

### **Retroactive Exemption for Courtesy Vehicles**

Budget 2008 clarifies that prior to April 1, 2008, courtesy vehicles provided by automotive service facilities to their customers are exempt from the PVRT. This means that automotive service facilities do not need to charge PVRT **prior to April 1, 2008.**

This exemption applies to leases entered into before April 1, 2008 where:

- a person enters into an agreement with an automotive service facility to receive services to a motor vehicle, and
- the vehicle is only leased as a result of receiving these services.

This exemption **does not apply** to courtesy vehicles leased on, or after, April 1, 2008. This means that effective April 1, 2008, automotive service facilities need to charge the PVRT (\$1.50 per lease per day) on all passenger vehicles leased for periods of:

- more than 8 consecutive hours, and
- 28 consecutive days or less.

This includes courtesy vehicles provided to customers for a fee, or under ICBC's Alternative Transportation Program (ATP) or any equivalent program.

For more information on the application of the PVRT to courtesy vehicles on, or after, April 1, 2008, please see [Bulletin SST 122](#), *Automotive Services and Parts*.

### **Refunds for PVRT Paid Prior to April 1, 2008**

Members of vehicle sharing organizations and customers of automotive service facilities who paid the PVRT prior to April 1, 2008 are eligible for a refund. It is the taxpayer's responsibility to apply to the ministry for a refund. The refund application must include supporting documentation and must be made within four years from the date the tax was paid. Claims for less than \$10 (in total, not per item) are not eligible for a refund.

### **Further Information**

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

You can also find information on our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/consumer\\_taxes.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm)