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Bicycles and Tricycles

Provincial Sales Tax Act

This bulletin has been rewritten and replaces the previous version dated April 23, 2013.

This bulletin explains how PST applies to bicycles and tricycles.

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Exempt Sales and Leases

Exempt Bicycles and Tricycles

You do not charge PST on the sale or lease of:

- non-motorized bicycles (described as bicycles in this bulletin),
- non-motorized, adult-sized tricycles where each wheel of the tricycle has a diameter of 350 mm or more (described as **qualifying tricycles** in this bulletin).

Parts

Parts are items that are essential to the basic functioning of a bicycle or qualifying tricycle. You do not charge PST when you sell or install replacement parts specifically designed for bicycles or qualifying tricycles, such as:

- frame and fork sets
- handle bar stems, tape, rim tape, grips and end plugs
- pedal, chain and gear, and chain guard assemblies
- seats, fenders and shock absorbers
- wheels, tubes, tires and brake assemblies

Bicycle and Tricycle Attachments

When you sell a bicycle or qualifying tricycle, any basic items that are installed on, or attached to, the bicycle or tricycle at the time of the sale are considered to form part of that sale.

Therefore, you do not charge PST on the purchase price of the attachments or the services to install them even if you separately itemize the accessories and installation services on the bill of sale.

Bicycle and tricycle attachments include the following, and similar, items:

- carriers, including handle bar bags, rat traps, baskets, panniers, saddlebags, crates, tool bags and child seats
- drinking bottles, bottle cages, bells, horns
- pumps, pump clips, hoses and hose attachments
- toe clips, toe straps, mirrors, locks, kickstands, streamers and flags
- training wheels

You must charge PST on the purchase price of attachments that are not installed on, or attached to, the bicycle or tricycle at the time of the sale of the bicycle or tricycle, and on attachments that are sold on their own.

Note: The exemption for bicycles and qualifying tricycles does not include non-basic items, such as bicycle computers and trailers even if they are installed on, or attached to, a bicycle or qualifying tricycle at the time of sale.

Bicycle and Tricycle Accessories

With the exception of exempt safety equipment (see Safety Equipment below), you must charge PST on all items and accessories that are not installed on, or attached to, the bicycle or qualifying tricycle at the time of the sale or that are sold on their own.

You must also charge PST on the sale of other taxable goods, such as oil, grease and tube repair kits, pant clips, cycling shoes, shoe covers, rain capes and other cycling clothing that do not qualify for the safety equipment exemption referred to in the Safety Equipment section below.

Note: Cycling shoes and clothing purchased for children under 15 are exempt. For more information, see [Bulletin PST 201](#), *Children's Clothing and Footwear*.

Services and Repairs

You do not charge PST when you perform services to bicycles and qualifying tricycles, including services to bicycle attachments that are attached to the bicycle or tricycle at the time it is brought in for service. Examples of exempt services include:

- complete overhauls
- inspecting and cleaning the frame and fork
- lubricating the chain
- replacing a broken pedal
- safety checks
- tune-ups

You also do not charge PST when you install attachments to a bicycle or qualifying tricycle after the purchase of the bicycle or tricycle.

However, you must charge PST when you provide services to bicycle or tricycle accessories that are not attached to the bicycle or tricycle at the time the bicycle or tricycle is brought in for service (e.g. your customer brings in a pannier for you to replace a broken clip).

For more information, see [Bulletin PST 301](#), *Related Services*.

Taxable Sales and Leases

You must charge PST on the sale or lease of the following:

- electric bicycles and tricycles (e.g. e-bikes and electric-assist bicycles)
- motorized and non-motorized push-style scooters
- tricycles that have a wheel or wheels with a diameter of less than 350 mm
- unicycles

You must also charge PST on the sale and installation of attachments, replacement parts and accessories for taxable goods, such as electric bicycles and tricycles.

Services and Repairs

You must charge your customer PST on services provided to taxable goods, such as electric bicycles and tricycles, or to their parts or accessories. Examples of services subject to PST include services to install, repair, adjust or maintain electric bicycles and tricycles, parts or accessories.

Converting Bicycles to Electric-Assist

You must charge PST when you sell or lease electric bicycles or tricycles (new or used). This includes bicycles and tricycles that have been converted to electric-assist.

If at the **time of sale** of a bicycle or qualifying tricycle, you also sell and install an electric-assist or booster kit for the bicycle or tricycle, PST applies as follows:

- you do not charge PST on the bicycle or qualifying tricycle,
- you charge PST on the electric-assist or booster kit,
- you do not charge PST on the services provided to install the kit, and
- you charge PST on the sale of all other items you use to install the kit, including shop supplies and miscellaneous materials, such as retaining clips, power poles and plastic zip ties.

Example:

Your customer purchases an electric-assist cargo bike from your shop, along with the following attachments and accessories: upgraded disc brakes, child seats, panniers, kickstand and fenders, which you will install at or before the time of sale.

The cargo bike does not come from the manufacturer with the electric-assist kit installed.

PST applies as follows:

You do not charge PST on the cargo bike, upgraded disc brakes, panniers, kickstand and fenders.

You charge PST on the electric-assist kit and the child seats.

You do not charge PST on the services to install all the attachments, accessories and the electric-assist kit.

After the kit is installed, the bicycle or tricycle is no longer a non-motorized bicycle or tricycle. Therefore, you must charge PST on parts and services later provided to the electric bicycle or tricycle, even if the parts are actually designed for use on a non-motorized bicycle (e.g. disc brakes).

Additional Information

Safety Equipment

You do not charge PST when you sell, repair or install the following safety equipment items if they are designed for use on bicycles:

- bicycle lights, including replacement parts specifically designed for the lights, such as generators, specifically designed batteries (e.g. AA or AAA batteries do not qualify) and bulbs, and
- reflectors.

Provided they are designed for use on bicycles, these items are exempt whether or not they are to be used on a bicycle. Therefore, these items are also exempt from PST when used on tricycles of any size, or on electric bicycles and tricycles.

You also do not charge PST when you sell, lease or provide services to helmets, or to safety vests and safety bibs designed to enhance the visibility of the wearer. These items are exempt whether or not they are to be used by a person riding a bicycle or tricycle.

For more information, see [Bulletin PST 100](#), *Safety Equipment and Protective Clothing*.

Out-of-Province Sales

You do not charge PST on taxable goods you ship to an out-of-province location. To show why you did not charge PST, your records must provide evidence that the goods were shipped out of BC.

Sales to Other Retailers

You do not charge PST on taxable goods you sell to other retailers if they are purchasing the goods solely for resale. If they are registered to collect PST, they must provide you with their PST number. If they are a wholesaler, they must provide you with a *Certificate of Exemption - General* ([FIN 490](#)).

If they do provide their PST number and you issue a bill, invoice or receipt, you must record that PST number on the bill, invoice or receipt to show why you did not collect the PST. Alternatively, you may record your customer's PST number on a written agreement you have entered into related to that sale.

If your customer provides an exemption certificate, you must keep a copy of the certificate in your records to show why you did not collect the PST.

For more information, see [Bulletin PST 208](#), *Goods for Resale*.

Purchases and Leases for Your Business

Taxable Goods

You must pay PST on the purchase or lease of new or used taxable goods you use in your business, such as:

- advertising materials, such as flyers and brochures
- computer hardware
- energy for heat and light
- equipment used to perform your services (e.g. tools, machinery, wrenches and screwdrivers)
- items you purchase to give away as free promotions
- shelving and display equipment
- stationery, furniture and office equipment

You must also pay PST on the following.

- Software, unless a specific exemption applies (e.g. custom software). For more information, see [Bulletin PST 105](#), *Software*.
- Related services you purchase for your own equipment, such as repairs to your office equipment. For more information, see [Bulletin PST 301](#), *Related Services*.

If your supplier does not charge you PST on taxable items, you must self-assess (pay directly to us) the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you obtained the taxable items.

For example, if you purchase a taxable item in June, you must file the return and pay the PST no later than July 31.

Exempt Goods

You are exempt from PST on the following.

- Goods you obtain solely for resale or lease to your customers (see [Bulletin PST 208](#), *Goods for Resale*)
- Parts and materials that will become part of the bicycles or tricycles you are servicing, such as replacement parts, oil, grease and paint

- Containers and packaging materials you obtain solely for packaging goods for sale or lease (see [Bulletin PST 305](#), *Containers and Packaging Materials*)

To purchase the above items without paying PST, give the supplier your PST number.

Change in Use

If you take taxable goods from your resale inventory for business or personal use, you must self-assess the PST due on your cost of the goods.

If you have a PST number, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you used the goods for a taxable purpose.

If you purchase both exempt goods for resale and taxable goods you will use in your business as a single purchase, you need to tell your supplier which goods are exempt and which goods are taxable.

If you take taxable goods from your lease inventory for business or personal use, you must self-assess PST as explained in [Bulletin PST 315](#), *Rentals and Leases of Goods*.

Goods Brought Into BC

You must pay PST if you purchase or lease taxable goods outside BC and bring, send or receive the goods in BC. You must pay PST on the total amount you pay to bring the goods into BC, including charges for transportation, customs, excise and any other costs, except the goods and services tax (GST).

If your supplier does not charge you PST at the time of the sale or lease, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using the *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you brought, sent or received goods into BC. For example, if you brought taxable goods into BC in June, you must file the return and pay the PST no later than July 31.

For more information, see [Bulletin PST 310](#), *Goods Brought Into BC*.



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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

References: *Provincial Sales Tax Act*, sections 9, 10, 34, 35, 37, 39 and 119; Provincial Sales Tax Exemption and Refund Regulation, sections 35, 55, 57 and 73.