

Ministry of Finance

Tax Notice



ISSUED: December 2014 REVISED: March 2017

Notice 2014-007

gov.bc.ca/salestaxes

Who Can Claim a Refund

Provincial Sales Tax Act, Motor Fuel Tax Act, Carbon Tax Act

This notice explains who is eligible to claim and receive a PST, motor fuel tax or carbon tax refund.

General Rule

Only the person who paid the tax is eligible for a refund. We consider the person who purchased the goods or services to be the person who paid the tax regardless of whose funds the purchaser used. If a person who is **not** eligible applies for a refund, we will disallow the refund and the eligible person can apply.

To confirm that a refund applicant purchased and paid the tax on the goods, we review the contract, invoice or receipt. If a contract, invoice or receipt does not name the purchaser, but the purchaser uses a credit card, debit card or cheque to pay, we consider the credit card or bank account holder to be the purchaser.

Example 1

Jill purchased a vehicle from ABC Motor Dealer and paid PST. The sales contract is between Jill and ABC Motor Dealer. However, the bank draft for the purchase was withdrawn from Jill's father's bank account. Vehicles resold within seven days are eligible for a PST refund. Jill resold the vehicle five days later.

In this case, Jill is the purchaser and is the person who paid the PST because she is named on the sales contract. Jill is considered to have paid the PST even though the funds came from her father. Jill may apply for a refund but her father cannot.

Example 2

John is the sole shareholder of the company Logging Inc. John purchased clear diesel and paid motor fuel tax. The fuel invoice has John's name on it. In certain situations, fuel purchased for use off-highway is eligible for a refund of the difference between the clear and coloured motor fuel tax rate. In this case, the fuel was for use off-highway in Logging Inc.'s logging truck while hauling logs.

In this situation, John is the purchaser and the person who paid the motor fuel tax because his name is on the fuel invoice. Because John is the purchaser, John can apply for a refund but Logging Inc. cannot.

Example 3

Sam is the sole shareholder of the company Farming Inc. Farming Inc. is a qualifying farmer. Sam is not a qualifying farmer. Qualifying farmers can claim a refund if they pay PST on certain farming equipment, such as a tractor. Sam purchased a tractor from a seller using his credit card and paid PST. The contract is between Sam and the tractor seller.

In this case, because Sam is named on the sales contract, Sam is the purchaser and the person who paid the PST. Because Sam is not a qualifying farmer, he is not eligible for a refund.

Example 4

Martin is a person with disabilities and is registered for the motor fuel tax refund program for persons with disabilities. His friend Philip purchased fuel using his own credit card. The fuel invoice does not have a name on it.

In this situation, Philip is considered the purchaser of the fuel. Philip is not eligible for a refund because Martin is the person registered for the program. Because he was not the purchaser, Martin is also not eligible for a refund for the fuel Philip purchased.

Exception

The exception to the above rule is when an agent purchases goods or services on behalf of their principal. In such cases, the agent is considered the purchaser and must apply for any refund available. Please contact us if you are unsure if you are in an agent-principal situation.

Further Information

If you have any questions, please call us toll free at 1 877 388-4440 or email your questions to CTBTaxQuestions@gov.bc.ca

Access our forms, publications, legislation and regulations online at gov.bc.ca/salestaxes

Subscribe to our [What's New](#) page to receive email updates when new PST information is available.

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

Latest Revision

March 2017

- Updated a link and revised example 4 for clarity.
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