



Provincial Sales Tax (PST) Notice

Notice 2021-003

Issued: September 2021

Notice to Vehicle Resellers

Provincial Sales Tax Act

This notice explains two PST changes that were announced in [Budget 2021](#). These changes affect vehicle resellers who purchase vehicles in B.C. for resale.

1. Effective October 1, 2021, you may not use the resale exemption to claim a credit or refund of PST you pay on a vehicle purchased in B.C. unless you are a motor dealer registered under the [Motor Dealer Act](#).
2. Applications for refunds of PST paid on motor vehicles resold within seven days will not be accepted after October 1, 2021.

Dealerships and Other Motor Dealers Registered under the Motor Dealer Act

If you are a motor dealer registered under the [Motor Dealer Act](#), you may continue claiming and granting the resale exemption and collecting PST as explained in bulletin [PST 116, Motor Vehicle Dealers and Leasing Companies](#). You may claim the resale exemption using your PST number and apply to us for refunds of PST you pay on vehicles you purchase for resale. You may also grant the resale exemption to any customer who purchases a vehicle and provides you with the required documentation at or before the time PST becomes payable on the vehicle (see Claiming the Resale Exemption below).

Effective October 1, 2021, if you collect PST on a vehicle from a customer who would like to claim the resale exemption after paying you the PST, you must not credit or refund that PST unless the customer is also a motor dealer registered under the Motor Dealer Act.

Vehicle Resellers Other Than Registered Motor Dealers

If you are not a motor dealer registered under the [Motor Dealer Act](#) and you purchase a vehicle in B.C. for resale from a dealership (or any other seller who is registered to collect PST), you may claim the resale exemption at the time of sale by providing the seller with the required documentation (see Claiming the Resale Exemption below).

Beginning October 1, 2021, if you do not provide the dealership with resale documentation at the time of sale, you will be deemed to be a purchaser. As a purchaser, you cannot claim the resale exemption. If no other exemption applies, you must pay PST on the vehicle to the dealership and you cannot claim a credit or refund of that PST from the dealership or from us.

Claiming the Resale Exemption

You claim the resale exemption using your PST number or, if you do not have a PST number, a fully completed Certificate of Exemption – General ([FIN 490](#)). You provide the seller with this documentation at or before the time PST becomes payable by you on the vehicle.

Applying to the Ministry for a PST Refund

Vehicle purchased for resale without resale exemption documentation

If you pay PST on a vehicle you purchase for resale, you can apply to us for a refund of that PST if you can show that you resold the vehicle and that you purchased the vehicle solely for resale. We must receive your refund application within 4 years from the date you paid the PST.

However, if you pay the PST on or after October 1, 2021, you may claim this refund only if you pay the PST as a motor dealer registered under the [Motor Dealer Act](#).

Motor vehicle resold within seven days (seven-day refund)

If you pay PST on a motor vehicle you purchase in B.C., you can apply to us for a refund of that PST if you resell the motor vehicle within seven days from the date you purchase the motor vehicle or the date you take possession of the motor vehicle, whichever is later.

This refund of PST paid on a motor vehicle resold within seven days is being cancelled. The deadline for applying for this refund is October 1, 2021. To be considered for this refund, your claim must be received by us on or before October 1, 2021.

Examples

Example 1

On October 3, 2021 you purchase a car at a dealership in B.C. for resale. You do not claim the resale exemption at the time of purchase. Because no other exemption applies, you pay PST on the car to the dealership. That same day, you resell the car in B.C. You are not registered as a motor dealer under the Motor Dealer Act.

In this case, because you paid the PST on or after October 1, 2021 and you are not a registered motor dealer, you cannot use the resale exemption to claim a credit or refund of the PST from the dealership or from us. This is the case even though you purchased the car for resale. You cannot claim the seven-day refund, even though you resold the car within seven days, because it is after the October 1, 2021 deadline for filing seven-day refund claims.

Example 2

On September 27, 2021 you purchase a car at a dealership in B.C. for resale. You do not claim the resale exemption at the time of purchase. Because no other exemption applies, you pay PST on the car to the dealership. That same day, you resell the car in B.C. You apply to us for a refund of the PST, and we receive your refund application on October 4, 2021. You are not registered as a motor dealer under the Motor Dealer Act.

In this case, you can use the resale exemption to claim the refund, even though you are not a registered motor dealer, because you purchased the car for resale and paid the PST before October 1, 2021. The seven-day refund is not available because we received your refund application after October 1, 2021.

Further Information

Online: gov.bc.ca/pst

Toll free: 1-877-388-4440

Email: CTBTaxQuestions@gov.bc.ca

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