



# Provincial Sales Tax (PST) Notice

Notice 2023-001

Issued: January 2023

## Notice to Vancouver Accommodation Providers Provincial Sales Tax Act

As [announced](#), this notice explains how the additional Major Events Municipal and Regional District Tax (Major Events MRDT) will apply to sales of short-term accommodation provided within the City of Vancouver (Vancouver).

The Vancouver additional Major Events MRDT will be in effect from February 1, 2023, until January 31, 2030, at the rate of 2.5%.

### **Charging PST, MRDT and Major Events MRDT**

For accommodation provided within Vancouver, the additional Major Events MRDT will apply in addition to the 8% provincial sales tax (PST) and the 3% Vancouver municipal and regional district tax (MRDT). **Note:** Each tax must be listed separately on invoices and accounted separately for reporting purposes.

Like PST and MRDT, the additional Major Events MRDT will be calculated on the purchase price of accommodation, which includes the total amount the purchaser pays for the right to use the accommodation, including any additional fees charged, such as: administration, booking, cleaning, credit card processing, extra bed, cot or crib, extra linen, guest, pet, and resort. The purchase price does not include the federal goods and services tax (GST).

The additional Major Events MRDT will not apply to exempt accommodation. For information on exempt accommodation, see our [Accommodation](#) page.

### **Goods and Services Tax (GST)**

Because the combined provincial tax on accommodation purchased in Vancouver during the additional Major Events MRDT period will exceed 12%, PST, MRDT and the additional Major Events MRDT on that accommodation will be subject to GST. For information on the application of GST to provincial taxes, see the Canada Revenue Agency's GST/HST memorandum [Application of GST/HST to Other Taxes, Duties, and Fees](#).

### Example 1

Guest Purchase Price	\$200.00
8% PST	\$ 16.00
3% MRDT	\$ 6.00
2.5% Major Events MRDT	\$ 5.00
Subtotal	<u>\$227.00</u>
5% GST (on purchase price, PST, MRDT, Major Events MRDT)	\$ 11.35
Total	<u>\$238.35</u>

### Example 2

Room Charge	\$200.00
Guest Service Fee	\$ 20.00
Guest Cleaning Fee	\$ 40.00
Guest Resort Fee	\$ 30.00
Guest Credit Card Fee	\$ 7.00
Destination Marketing Fee	\$ 3.00
Subtotal of Guest Purchase Price	<u>\$300.00</u>
8% PST	\$ 24.00
3% MRDT	\$ 9.00
2.5% Major Events MRDT	\$ 7.50
Subtotal	<u>\$340.50</u>
5% GST (on purchase price, PST, MRDT, Major Events MRDT)	\$ 17.03
Total	<u>\$357.53</u>

## **Reporting and Remitting Major Events MRDT**

If you are registered to collect and remit PST and MRDT, you do not need to separately register for the additional Major Events MRDT.

If you provide accommodation in Vancouver, you will be required to report and remit the additional Major Events MRDT for any reporting periods on, or after, February 1, 2023, using your MRDT return. You will be required to report both the

additional Major Events MRDT and the MRDT on your MRDT return using [eTaxBC](#). Paper returns will not be accepted.

The [guide to completing the MRDT return](#) and our [Accommodation](#) page will be updated after February 1, 2023.

## **Transitional Rules**

If you provide accommodation in Vancouver, you will be required to apply the additional Major Events MRDT if payment for the accommodation is due on, or after, February 1, 2023.

### **Example**

You provide accommodation in Vancouver from January 24, 2023, to February 3, 2023. Your customer pays for the entire accommodation on February 3, 2023, when checking out. Because all payment for the accommodation is made after February 1, 2023, the additional Major Events MRDT applies to the entire accommodation.

## **Refunds of Major Events MRDT**

Purchasers of accommodation provided in Vancouver who overpay the additional Major Events MRDT, for example, paying the additional Major Events MRDT before it applies, can apply to us for a refund of the overpayment using the Application for Refund – General (PST) ([FIN 355](#)).

**Note:** We cannot issue a refund of less than \$10.



### **Need more info?**

Online: [gov.bc.ca/pst](http://gov.bc.ca/pst)

Toll free: 1-877-388-4440

Email: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

Subscribe to our [What's New](#) page to receive email updates when information changes.

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

**References:** Designated Major Event Accommodation Area Tax Regulation.