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## PST and Non-Residents

### Provincial Sales Tax Act

Latest Revision: The revision bar ( | ) identifies changes to the previous version of this bulletin dated July 2014. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin explains how the PST applies to non-residents of BC.

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### Definitions

In this bulletin:

- **goods** mean tangible personal property as defined in the *Provincial Sales Tax Act*. Tangible personal property is personal property that can be seen, weighed, measured, felt or touched, or is in any way perceptible to the senses, and includes:
  - affixed machinery
  - an improvement to real property or part of an improvement to real property that is removed from the site at which it is affixed or installed, while it is removed from that site.
  - electricity
  - heat
  - natural or manufactured gas
- **non-resident** means a person who:
  - does not reside, ordinarily reside or carry on business in BC, and
  - does not enter BC with the intention of residing or carrying on business in BC.

- **related services** are services provided to goods, or services provided to install goods

## **Purchases and Leases in BC**

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As a non-resident, you must pay PST on the purchase price or lease price of all goods you purchase or lease in BC, unless a specific exemption applies (see Exemptions below).

**Please note:** Businesses that sell or lease taxable goods to non-residents in BC must charge and collect PST on these sales and leases.

## **Goods Brought Into BC**

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### **Non-Resident Individuals**

Generally, if you are a non-resident individual, you are not subject to PST on goods you bring or send into BC, or goods you receive delivery of in BC, solely for non-business purposes.

However, the following non-resident individuals must pay PST on all goods they bring or send into BC, or receive delivery of in BC, if the goods are to be used **primarily** in BC and primarily for their own use, or for the use of another person at their expense, during the year following the entry of the goods:

- non-resident individuals who own real property in BC
- non-resident individuals who lease, as lessee, real property in BC if the term of the lease, including the cumulative total of all options and rights to extend or renew that lease, is at least five years

These non-resident individuals must self-assess the PST due. For information on how to calculate and self-assess the PST due, see [Bulletin PST 310](#), *Goods Brought Into BC*.

**Please note:** Non-resident individuals are **not** required to pay PST on boats and travel trailers they bring or send into BC, or receive delivery of in BC from outside BC, solely for non-business purposes.

### **Businesses**

Businesses must pay PST when they bring or send goods into BC, or receive delivery of goods in BC, for use in the course of their business, whether or not their business is carried on in BC.

For information on how to calculate and self-assess the PST due on these goods, see [Bulletin PST 310](#), *Goods Brought Into BC*.

### **Vehicles Registered in BC**

All non-residents who bring or send a vehicle into BC or receive delivery of a vehicle in BC must pay PST on the vehicle if they register the vehicle in BC for use in BC, unless a specific exemption applies. For more information, see [Bulletin PST 308](#), *PST on Vehicles*.

## **Related Services**

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PST applies to the purchase of a related service provided or to be provided in BC, unless a specific exemption applies. The tax rate on related services is 7%. PST applies even if you (the purchaser) are a non-resident.

**Please note:** Related services provided in BC to goods that are brought or sent into BC for the sole purpose of having the related services provided are exempt from PST if, after the services are provided, the goods are immediately transferred out of BC for use outside BC.

For more information, including documentation requirements for the exemption mentioned above, see [Bulletin PST 301](#), *Related Services*.

## **Accommodation**

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PST of 8% applies to sales of short-term accommodation provided in BC, unless a specific exemption applies. In addition to the 8% PST, the up to 3% municipal and regional district tax (MRDT) applies, on behalf of municipalities, regional districts and eligible entities, to sales of short-term accommodation provided in participating areas of BC.

As a non-resident, you must pay PST (and MRDT, if applicable) on all short-term accommodation provided in BC (i.e. no exemption applies to purchases of accommodation by non-residents).

For more information, see [Bulletin PST 120](#), *Accommodation*.

## **Legal Services**

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For information on how PST applies to purchases of legal services by non-residents, see [Bulletin PST 106](#), *Legal Services*.

## **Software**

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In this section, software means intangible software (e.g. provided over the Internet, including by email, FTP, download or other electronic means).

As a non-resident, unless a specific exemption applies, you must pay 7% PST on the purchase price of software if either of the following applies:

- You (the purchaser) are in BC and purchase software for use on or with an electronic device ordinarily situated in BC.
- You purchase software (anywhere, including outside of BC) and use that software on or with an electronic device ordinarily situated in BC, provided you are either:
  - a non-resident individual who owns real property in BC, or
  - a non-resident individual who leases, as lessee, real property in BC if the term of the lease, including the cumulative total of all options and rights to extend or renew that lease, is at least five years.

Stationary electronic devices, such as desktop computers or televisions, are ordinarily situated in BC if they are located at an address in BC.

Mobile electronic devices, such as mobile phones, are considered to be ordinarily situated in BC if they are assigned a BC area code (e.g. 250, 604, 778, 236). However, some mobile devices do not have an area code (e.g. a laptop or tablet). If there is no area code or the area code is not known, another method must be used to determine where the device is ordinarily situated, such as the billing address, IP address or address where the software is provided.

**Please note:** If you carry on business in BC, or enter BC with the intention of carrying on business in BC, and you purchase software for use both inside and outside BC, you may be eligible to pay a proportional amount of PST based on your use of the software in BC.

For more information, see [Bulletin PST 105](#), *Software*.

## **Telecommunication Services**

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PST applies to telecommunication services (e.g. phone, TV, Internet services) if the service is utilized by means of an electronic device that is ordinarily situated in BC (see *Software* above for information on when devices are ordinarily situated in BC).

For more information, see [Bulletin PST 107](#), *Telecommunication Services*.

## **Exemptions**

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### **Goods Shipped Outside BC**

If you purchase goods in BC, you are exempt from PST if:

- the goods are to be shipped by the seller for delivery outside BC, and
- no use is to be made of the goods by you while the goods are in BC except storage of the goods with the seller.

The first condition of this exemption is met if:

- the seller delivers the goods outside of BC themselves (e.g. in their own vehicle), or
- the seller contracts with a common carrier, delivery company, shipping company or forwarding agent to have the goods shipped to a location outside of BC. The common carrier, delivery company, shipping company or forwarding agent **must** be hired by the seller and cannot be a relative, friend, employee or other person sent or contracted by the purchaser to pick up and/or deliver the goods to a location outside of BC.

**Please note:** PST may apply if you later bring or send the goods into BC, or receive delivery of the goods in BC.

To support this exemption, collectors (i.e. sellers) must keep documentation that shows they delivered the goods outside the province, such as a bill of lading, third-party delivery documents or shipping invoices. Collectors may also use the *Out-of-Province Delivery Exemption (FIN 462)* to record the goods they delivered to a location outside BC. The FIN 462 is an optional form that may be used in addition to the required documentation described above.

### **Vehicles Purchased for Use Outside BC**

If you purchase a vehicle in BC for use outside BC, you are exempt from PST provided all the following criteria are met:

- the vehicle is a type that is eligible for registration under the vehicle registration legislation as defined in the *Provincial Sales Tax Act*,
- the vehicle is purchased for use primarily outside BC,
- the vehicle will not be used in BC for a business purpose,
- the vehicle will not be registered in BC, and
- if you are purchasing the vehicle as an individual, you are a non-resident.

To support this exemption, collectors must keep a completed *Certificate of Exemption – Purchase of Vehicle or Aircraft for Use Outside BC* ([FIN 440](#)) from the purchaser or lessee.

## Aircraft Purchased for Use Outside BC

If you purchase an aircraft in BC for use outside BC, you are exempt from PST provided all the following criteria are met:

- the aircraft is purchased for use primarily outside BC,
- the aircraft will not be used in BC for a business purpose, and
- if you are purchasing the aircraft as an individual, you are a non-resident.

To support this exemption, collectors must keep a completed *Certificate of Exemption – Purchase of Vehicle or Aircraft for Use Outside BC* ([FIN 440](#)) from the purchaser or lessee.

## Other Exemptions

Non-residents may be eligible for other exemptions if the goods qualify for a specific PST exemption (e.g. goods obtained solely for resale or lease, and goods incorporated into other goods for resale). For more information, see [Bulletin PST 200](#), *PST Exemptions and Documentation Requirements*.



## Need more info?

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

Toll free in Canada: 1 877 388-4440

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

Access our forms, publications, legislation and regulations online at [gov.bc.ca/PST](http://gov.bc.ca/PST) (go to [Forms](#) or [Publications](#)).

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

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### Latest Revision

- April 2015

As a result of Budget 2015, the maximum MRDT rate increased from 2% to 3%.

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References: *Provincial Sales Tax Act*, sections 1 “accommodation”, “collector”, “electronic device”, “legal services”, “non-resident”, “related service”, “software”, “tangible personal property”, “telecommunication service”, “use”, “vehicle”, 9, 10, 28, 29, 34, 35, 39, 49, 50, 52, 105, 106, 119, 122, 123, 126, 130, 141, 142, 145, 178, 179 and 192; *Provincial Sales Tax Exemption and Refund Regulation*, sections 24-26 and 73; *Provincial Sales Tax Regulation*, sections 10 and 17.