

## PST Refunds

### *Provincial Sales Tax Act*

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Latest Revision: *The revision bar ( | ) identifies changes to the previous version of this bulletin dated October 2018. For a summary of the changes, see Latest Revision at the end of this document.*

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This bulletin provides general information on PST refunds.

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## Overview

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You may claim a refund of PST if you paid PST in error or overpaid PST. In some cases, you may be eligible for a refund if you paid PST at the time of sale or lease and meet certain conditions.

If you are a collector (a seller or lessor registered to collect PST), you may refund or credit your customers PST you charged or collected from them as outlined below.

This bulletin contains two main sections. The first section is a list of PST refunds available from collectors. The second section is a list of refunds available from us.

## Refunds from Collectors

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As a collector, you may refund or credit your customers PST you charged or collected from them in the circumstances outlined below.

If you have remitted PST on a sale or lease of taxable goods or services and then refund or credit some or all of that PST to your customer as outlined below and are registered for PST, you may claim a refund of the PST you remitted by making an adjustment on your PST return (i.e. deducting the amount of your refund from the amount of PST owing). You must make the adjustment in the reporting period in which you provided the refund or credit. If you do not make an adjustment on your return, you may apply directly to us for a refund.

For information on making adjustments on your PST return, see our online guide for [Completing the Provincial Sales Tax Return](#).

## Customer Does Not Provide Required Information or Documentation at the Time of Sale or Lease

If you charged your customer PST they would not have been required to pay if they had provided the information or documentation required to claim an exemption at the time of the sale or lease, and they later provide the required information or documentation, you may refund or credit your customer the PST within 180 days of the date the PST was charged.

After the 180 days, you cannot refund your customer the PST (if you do, you are not eligible to make an adjustment on your PST return for this amount and you are not eligible for a refund from us). However, your customer may claim a refund from us (see Refunds from the Ministry below).

For example, you charged PST when you sold a farm tractor to a qualifying farmer because they did not provide a BC Farmer Identity Card or a completed *Certificate of Exemption – Farmer* ([FIN 458](#)) at the time of sale. You may refund or credit your customer the PST if they provide the identity card or a completed certificate within 180 days of the date the PST was charged.

For more information on the information and documentation required to provide an exemption at the time of the sale or lease, see [Bulletin PST 200](#), *PST Exemptions and Documentation Requirements*.

## Customer Was Not Required to Pay PST

If you charged your customer PST on the purchase of goods, software or taxable services, or on the lease of goods, and they were not required to pay it, you may refund or credit your customer the PST within 180 days of the date the PST was paid.

For example, your customer paid PST on exempt goods that did not require any information or documentation to claim the exemption (e.g. a non-motorized bicycle).

After the 180 days, you cannot refund your customer the PST (if you do, you are not eligible to make an adjustment on your PST return for this amount and you are not eligible for a refund from us). However, your customer may claim a refund from us (see Refunds from the Ministry below).

## Refund or Credit of Purchase Price or Lease Price

If you provide a full or partial refund or credit of the purchase or lease price to your customer for taxable goods, software or taxable services within four years of the purchase or lease, you may also refund or credit the applicable amount of PST (except for the purchase of a vehicle, see Motor Vehicles Returned Within One Year of Purchase below). For example, if you refund or credit 50% of the purchase price of taxable goods to your customer, you may also refund or credit 50% of the PST to your customer.

This includes if you provide a full or partial refund or credit of the purchase price because:

- The goods have been returned
- The sale has been cancelled
- You provided a price reduction
- You provide your customers with a discount for early payment (e.g. 2/10, net 30 terms), reaching certain purchase volumes or similar arrangements

Example:

Purchase price at the time of sale	\$10,000
PST charged at time of sale (7% of \$10,000)	\$ 700
2% discount provided for early payment (2% of \$10,000)	\$ 200
Applicable amount of PST to refund (7% of \$200)	\$ 14

To be eligible for a refund or adjustment on your PST return, of PST you refund or credit to your customer, you must provide the refund or credit of PST to your customer at the same time you provide the full or partial refund or credit of the purchase or lease price.

**Note:** If you charge a restocking fee when you accept a return of goods, the amount of the purchase price or lease price that you refund or credit to your customer is reduced. As a result, the amount of PST you may refund or credit to your customer is also reduced.

Example:

Your customer returns a computer they purchased for \$1,525. Your store has a policy of providing a full refund for any goods it accepts on return, but also applies a \$25 restocking fee to all returns.

Full refund (original purchase price of the computer)	\$1,525
Less: restocking fee	\$ (25)
Purchase price refunded to customer (\$1,525 - \$25)	\$1,500
Applicable amount of PST to refund (7% of \$1,500)	\$ 105

For PST purposes, the restocking fee reduces the amount of the purchase price refunded to your customer, even if you show it as a separate charge from the refund or on a separate invoice.

## Motor Vehicles Returned Within One Year of Purchase

When a customer returns a motor vehicle to you (a collector) within one year of the purchase and you provide a full or partial refund or credit of the purchase price, you **must** also refund or credit the applicable amount of PST.

Example:

Purchase price at time of sale	\$40,000
PST charged at time of sale (7% of \$40,000)	\$ 2,800
90% refund provided on the return of the vehicle (90% of \$40,000)	\$36,000
Applicable amount of PST to refund (7% of \$36,000)	\$ 2,520

To be eligible for a refund of the PST you refund or credit to your customer, you must provide the refund or credit of PST to your customer at the same time you provide the full or partial refund or credit of the purchase price.

## Refunds from the Ministry

In certain circumstances you may request a refund or credit of PST paid to a collector (i.e. seller or lessor registered to collect PST) directly from that collector. For more information, see Refunds from Collectors above.

If the collector refuses to provide a refund or credit of PST you paid to them or the time limit for the collector to provide a refund or credit has passed, you may apply for a refund from us in the circumstances outlined below.

**Note:** If you have received a refund or credit from a collector, you cannot also claim a refund from us for the same payment of PST.

If you have received a refund from us and you later receive a refund or credit from a collector for the same payment of PST, you must repay us the amount we refunded to you.

## Time Limit and Minimum Amount for Claiming a Refund

Unless otherwise noted below, your refund claim must be received by us within four years of the date you paid or remitted the PST. For example, if you paid PST on August 11, 2013, we must receive your refund claim by August 11, 2017.

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

## Who Can Claim a Refund

Only the person who paid the PST is eligible for a refund. Refunds cannot be paid to persons who are not eligible. We consider the person who paid the PST to be the person who entered into the contract for the purchase or lease. To determine who entered into the contract we look to the person named in any written contract, invoice or receipt, regardless of whose funds that person used. Generally that is the person who would be responsible for payment of any outstanding amounts and who would receive a refund of the purchase or lease price (e.g. in the case of the goods being returned).

We only consider the credit card or bank account holder to be the purchaser or lessee in cases where a contract, invoice or receipt does not name the purchaser or lessee, and a credit card, debit card or cheque was used to pay.

Examples:

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 be eligible for a refund but her father is not.

Anna is the sole shareholder of the company Party Supplies Inc. Party Supplies Inc. sells party supplies to retail customers. Anna used her personal credit card to purchase party supplies and paid PST. The invoice does not have a name on it. Goods purchased solely for resale (except for goods purchased by small sellers) are exempt from PST.

In this situation, Anna is the purchaser and the person who paid the PST because she used her personal credit card to purchase the party supplies. Anna may apply for a refund if she can provide documentation to show she resold the party supplies to Party Supplies Inc.

**Note:** Anna would not be a small seller if she sold the goods to another business for resale.

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.

## Agents

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.

## Application Forms

PST refund application forms are available on our [Forms](#) webpage and at any [Service BC Centre](#).

Each refund application form provides instructions on how to complete the form and the specific supporting documentation you must submit with the application (e.g. copies of sales invoices, copies of resale invoices, bills of lading, a completed exemption certificate, and proof PST was paid). Payment details from your own records (e.g. records from your company books or accounting records) will not be accepted as proof that PST was paid. For example, a copy of the cancelled cheque or a statement of account from the supplier/seller showing payment of the transaction amount would be acceptable proof.

**Note:** We encourage you to submit the supporting documentation in an electronic format on a USB.

We may return incomplete refund applications to you without processing the refund claim.

If it is later determined that the basis for the refund was inaccurate or incomplete and you received a refund in excess of the amount due, you may be assessed for the excess amount plus interest.

## General Refunds

General refunds that apply to all goods, software and taxable services are listed below.

To apply for a general refund from us, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

### You Were Not Required to Pay

If you paid PST and were not required to pay it, you are eligible for a refund of the PST paid. You may request a refund or credit directly from the collector within 180 days of the date you paid the PST. Alternatively, you may apply to us for a refund.

Examples of circumstances in which you were not required to pay PST include:

- PST paid in error on exempt goods, software or services that did not require any information or documentation to claim the exemption

- PST overpaid because of an error in calculating the PST payable
- PST paid on cancelled sales

### **You Did Not Provide the Required Information or Documentation at the Time of Sale or Lease**

If you paid PST and would not have been required to pay PST if you had provided the required information or documentation to claim an exemption at the time of the sale or lease, you may be eligible for a refund of the PST paid. You may request a refund or credit directly from the collector within 180 days of the date you were charged the PST. Alternatively, you may apply to us for a refund.

Required information or documentation may include your PST number, a completed exemption certificate, Diplomatic Identity Card or a BC Farmer Identity Card.

For example, if you are eligible for the production machinery and equipment exemption and do not provide a completed *Certificate of Exemption – Production Machinery and Equipment* ([FIN 492](#)) when you purchase or lease equipment that qualifies for the exemption, you must pay PST. You may be eligible for a refund of the PST paid.

The applicable refund form depends on what exemption you were eligible to claim. For more information on refunds for certain businesses and persons, including which refund form must be used, see Refunds for Certain Businesses and Persons below.

For more information on the information and documentation required to claim an exemption at the time of the sale or lease, see [Bulletin PST 200](#), *PST Exemptions and Documentation Requirements*.

### **You Receive a Refund or Credit of the Purchase Price or Lease Price**

If you have received a full or partial refund or credit of the purchase or lease price of taxable goods (except a purchased vehicle – see Motor Vehicles below), software or taxable services, you may request a refund or credit of the applicable amount of PST directly from the collector at the time you receive the refund or credit of the purchase or lease price if that refund or credit is provided within 4 years of the date the PST was payable.

If the collector does not provide you with a refund or credit of the applicable amount of PST, you may apply for a refund from us.

For example, if you receive from the collector a refund or credit of 50% of the purchase price of a good, and do not receive a refund or credit of 50% of the PST, you may apply to us for a partial refund of the PST.

### **Motor Vehicles**

In addition to the general refunds applicable to all goods, software and taxable services, the following refunds from us are specific to motor vehicles (except multijurisdictional vehicles – see Multijurisdictional Vehicles below).

To apply for a refund of PST paid on a motor vehicle, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on a Motor Vehicle* ([FIN 355/MV](#)) and provide the supporting documentation listed in the instructions to the form.

## Vehicles Returned to Non-Collectors

You are eligible for a partial or full refund of PST paid on a vehicle you purchased from a seller who is not a collector (i.e. seller is not registered to collect PST) if:

- within 30 days after the date you purchased the vehicle in BC or the date you took possession of the vehicle (whichever is later), you returned the vehicle to the seller, and
- in return for the vehicle, the seller refunded to you all or a portion of the purchase price.

The amount of the refund is equal to the PST attributable to the amount of the refund or credit of the purchase price refunded to you by the seller. For example, if you receive 50% of the purchase price back, you are eligible for a refund of 50% of the PST you paid.

## Motor Vehicles Resold Within Seven Days

You are eligible for a refund of PST paid on a motor vehicle you purchased in BC if you resold the vehicle within seven days after the date you purchased the vehicle or the date you took possession of the vehicle (whichever is later).

## Motor Vehicles Removed from BC

If you reside, ordinarily reside or carry on business in BC, you are eligible for a refund of PST paid on a motor vehicle you purchased in BC if:

- within 30 days after the date you purchased the vehicle or the date you took possession of the vehicle (whichever is later), the vehicle was removed from BC for use solely outside BC,
- you established residency in the other jurisdiction, and
- you paid sales tax or the provincial portion of the harmonized sales tax (HST) in the other jurisdiction and you are not entitled to a refund, credit or rebate of that tax, including input tax credits. **Note:** For the purposes of this refund, the 5% GST is not a sales tax.

If you do not reside, ordinarily reside or carry on business in BC, you are eligible for a refund of PST paid on a motor vehicle you purchased in BC if, within 30 days after the date you purchased the vehicle or the date you took possession of the vehicle (whichever is later), the vehicle was transported outside BC for use primarily outside the province.

If you do not reside, ordinarily reside or carry on business in BC, you will also be eligible for a refund of PST paid on a motor vehicle you purchased in BC if:

- within 180 days after the date you purchased the vehicle or the date you took possession of the vehicle (whichever is later), the vehicle is transported outside BC for use primarily outside the province, and
- you paid sales tax or the provincial portion of the HST in the other jurisdiction and you are not entitled to a refund, credit or rebate of that tax, including input tax credits. **Note:** For the purposes of this refund, the 5% GST is not a sales tax.

## Required Information or Documentation is Not Provided at the Time of Vehicle Registration

If you paid PST on a vehicle to the Insurance Corporation of British Columbia (ICBC) and would not have been required to pay PST if you had provided the required information or documentation to claim an exemption at the time you registered the vehicle, you may apply to us for a refund of the PST paid. You **cannot** request that ICBC refund the PST.

For example, if a vehicle is transferred to you from your spouse or former spouse because of the dissolution of marriage or marriage-like relationship, you are exempt from paying PST on the vehicle if the vehicle is transferred to you under a written separation agreement, a marriage



agreement, a court order, or an agreement under Part 5 or 6 of the *Family Law Act*. However, if you did not provide a copy of the relevant agreement or court order at the time of registering the vehicle, you must pay PST to ICBC and apply for a refund from us.

### **Motor Vehicles Returned to a Manufacturer**

If, as a result of an independent, impartial, third-party dispute resolution process, you returned a motor vehicle to the manufacturer after the date of purchase, you may apply for a refund from us of the PST attributable to the amount of the refund or credit of the purchase price provided by the manufacturer.

### **Multijurisdictional Vehicles**

A multijurisdictional vehicle (MJV) is a vehicle licensed under the International Registration Plan.

In certain circumstances, you may obtain a refund or credit from us or ICBC of all or a portion of the MJV tax or exit tax payable on a vehicle.

To apply for a refund from us, complete an *Application for Refund of Provincial Sales Tax (PST) – Multijurisdictional Vehicles* ([FIN 355/MJV](#)) and provide the supporting documentation listed in the instructions to the form.

For more information on MJV credits and refunds, see [Bulletin PST 135](#), *Multijurisdictional Vehicles*.

### **Boats and Aircraft Returned to Non-Collectors**

You are eligible for a partial or full refund from us of PST paid on a boat or aircraft you purchased from a seller who is not a collector (i.e. seller is not registered to collect PST) if:

- within 30 days after the date you purchased the boat or aircraft in BC or the date you took possession of the boat or aircraft (whichever is later), you returned the boat or aircraft to the seller, and
- in return for the boat or aircraft, the seller refunded to you all or a portion of the purchase price.

The amount of the refund is equal to the PST attributable to the amount of the refund or credit of the purchase price refunded to you by the seller. For example, if you receive 50% of the purchase price back, you are eligible for a refund of 50% of the PST you paid.

To apply for a refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

For more information, see [Bulletin PST 108](#), *Boats* or [Bulletin PST 134](#), *Aircraft*.

### **Refunds for Certain Businesses and Persons**

#### **Qualifying Farmers**

If you are a qualifying farmer and you paid PST on specifically listed exempt farm equipment or other goods, on qualifying parts for those items, or on related services provided to those items, you may be eligible for a refund from either the collector (see Refunds from Collectors above) or from us.

You may also be eligible for a refund from us if you paid PST on specifically listed farm equipment and other goods, and on parts and related services for those items, that you

purchased and leased within the two-year period prior to meeting the criteria as a qualifying farmer.

To apply for a refund from us, complete an *Application for Refund of Provincial Sales Tax (PST) – Qualifying Farmers, Aquaculturists, Fishers (FIN 355/FAF)* and provide the supporting documentation listed in the instructions to the form.

For more information, see [Bulletin PST 101](#), *Farmers*.

### **Qualifying Commercial Fishers**

If you are a qualifying commercial fisher and you paid PST on exempt boats, fishing nets or fishing equipment, on qualifying parts for those items, or on related services provided to those items, you may be eligible for a refund from either the collector (see Refunds from Collectors above) or from us.

You may also be eligible for a refund from us if you paid PST on boats, fishing nets and fishing equipment, and on parts and related services for those items you purchased and leased within the 12-month period prior to meeting the criteria as a qualifying commercial fisher.

To apply for a refund from us, complete an *Application for Refund of Provincial Sales Tax (PST) – Qualifying Farmers, Aquaculturists, Fishers (FIN 355/FAF)* and provide the supporting documentation listed in the instructions to the form.

For more information, see [Bulletin PST 102](#), *Commercial Fishers*.

### **Qualifying Aquaculturists**

If you are a qualifying aquaculturist and you paid PST on specifically listed exempt aquaculture equipment, on qualifying parts for those items, or on related services provided to those items, you may be eligible for a refund from either the collector (see Refunds from Collectors above) or from us.

You may also be eligible for a refund from us if you paid PST on specifically listed aquaculture equipment, and on parts and related services for those items you purchased and leased within the six-month period prior to meeting the criteria as a qualifying aquaculturist.

To apply for a refund from us, complete an *Application for Refund of Provincial Sales Tax (PST) – Qualifying Farmers, Aquaculturists, Fishers (FIN 355/FAF)* and provide the supporting documentation listed in the instructions to the form.

For more information, see [Bulletin PST 103](#), *Aquaculturists*.

### **Production Machinery and Equipment (PM&E)**

If you are eligible for the PM&E exemption and paid PST on exempt PM&E, or on exempt parts, materials or related services for exempt PM&E, you may be eligible for a refund from either the collector (see Refunds from Collectors above) or from us.

To apply for a refund from us, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on Production Machinery and Equipment (FIN 355/PME)* and provide the supporting documentation listed in the instructions to the form.

For more information, see [Bulletin PST 110](#), *Production Machinery and Equipment Exemption*.

## Real Property Contractors

### *Goods You Received From Outside Canada*

If you are a real property contractor and you paid PST to either the Canada Border Services Agency or to Canada Post on goods you brought or sent into BC, or received in BC, from outside Canada to fulfil a contract for the improvement of real property, you may be eligible for a refund if:

- you entered into an agreement with your customer that specifically states the customer is liable for PST on the goods, or
- you entered into a contract with a person who would have qualified for an exemption from PST had they acquired the goods themselves.

For more information on the exemptions for contractors and the criteria to qualify, see [Bulletin PST 501](#), *Real Property Contractors*.

### *Goods You Shipped Outside BC*

You may be eligible for a refund if you paid PST on goods you:

- shipped outside BC and did not use in BC, except to store them, or
- process, fabricate, manufacture, or incorporate into, or attach to other goods you shipped outside BC to fulfil a contract for the improvement of real property and you paid sales tax on the other goods to another jurisdiction.

For more information, see [Bulletin PST 506](#), *Real Property Situated Outside BC*.

## Small Sellers

If you are a small seller, you must pay PST on eligible goods, software and taxable services you purchase for resale. If you later register to collect and remit PST, you can apply for a refund from us of PST you paid on goods, software and taxable services you purchased for resale if, at the time you sold the goods, software or taxable services:

- you were registered to collect and remit PST, and
- you collected and remitted PST on the sale.

To apply for the refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

For more information, see [Bulletin PST 003](#), *Small Sellers*.

## Independent Sales Contractors

If you are an independent sales contractor of a direct seller, in certain circumstances you may obtain a refund or credit from us or your direct seller of all or a portion of the PST you paid on an exclusive product.

Exclusive products are goods acquired, manufactured or produced by a direct seller that are primarily offered to a purchaser at a retail sale by an independent sales contractor of a direct seller. Exclusive products do not include liquor, vehicles, boats, aircraft or manufactured buildings.

For more information on refunds and credits for exclusive products, see [Bulletin PST 004](#), *Direct Sellers and Independent Sales Contractors*.

## First Nations

If you are a First Nations individual or band and paid PST in circumstances in which you were eligible for an exemption, you may be eligible for a refund from either the collector (see Refunds from Collectors above) or from us.

To apply for a refund from us, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form. With each refund application, you must provide the following information and documentation.

### *First Nations Individuals*

- Your name, address, band name and number or band registration number
- A photocopy of both sides of your *Certificate of Indian Status* card, and sales invoices showing the amount of PST paid
- Proof the purchase or lease met the requirements of the exemption. For example, if you are a First Nations individual and paid PST on goods purchased for personal use, you need to provide proof that title to the goods passed on reserve land

### *Bands*

- Band name and number or band registration number
- Proof the purchase or lease met the requirements of the exemption (for example, if you are a band and paid PST on goods purchased for band use, you need to provide proof that title to the goods passed on reserve land)

For more information on exemptions for First Nations individuals and bands, see [Bulletin PST 314](#), *Exemptions for First Nations*.

## Members of the Diplomatic and Consular Corps

If you are a member of the diplomatic or consular corps and are exempt from PST, you may be eligible for a refund if you paid PST in error.

To apply for a refund from us, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form. Each refund application must include your name, address, identity card number, expiry date and diplomatic status. You are also required to submit a photocopy of both sides of your identity card and all sales invoices showing the amount of PST you paid.

For more information on exemptions for the diplomatic and consular corps, see [Bulletin CTB 007](#), *Exemption for Members of the Diplomatic and Consular Corps*.

## Residential Energy Products

If you paid PST on the purchase of a residential energy product used in a residential dwelling, you may be eligible for a refund of PST. If the residential dwelling is part of a multi-use building, you may be eligible for a refund on the portion of PST paid on the residential energy product that can reasonably be attributed to the portion used for residential use.

Residential use does not include use for a business, commercial or industrial purpose.

To apply for a refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

For more information on this refund, including documentation requirements and how to calculate the amount of the refund, see [Bulletin PST 203](#), *Energy, Energy Conservation and the ICE Fund Tax*.

## Accommodation

### Accommodation Purchased for 27 Days or More

If you paid PST (and the up to 3% municipal and regional district tax (MRDT) if applicable) on the purchase of accommodation and you, your employees, members of your family, or members of your employees' families occupy the unit for a continuous period of 27 days or more, you are eligible for a refund of PST and MRDT (if applicable).

**Note:** If you are billed for a continuous period of 27 days or more, the accommodation provider should not charge you PST and MRDT. However, if you are charged or billed for shorter periods at a time (e.g. by day or by week), you can apply for a refund once you have paid PST and MRDT on accommodation for a continuous period of 27 days or more.

To apply for a refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide proof you paid PST and MRDT on accommodation for a continuous period of 27 days or more (e.g. copies of invoices or receipts from your accommodation provider). Also, include any other supporting documentation listed in the instructions to the form.

**Note:** Before October 1, 2018, this refund was available for PST and MRDT paid on accommodation for a continuous period of more than one month.

For more information on the application of PST and MRDT to sales of accommodation, see [Bulletin PST 120](#), *Accommodation*.

### MRDT Paid in Newly Designated Accommodation Area

You may be eligible for a refund of the MRDT paid if, **before** the area became a designated accommodation area, you:

- received a written confirmation of the reservation,
- entered into a written contract for the purchase of the accommodation, or
- made a deposit on the purchase.

To qualify for a refund, the purchase of the accommodation must have been for a specified number of days as set out in the confirmation or contract, or covered by the deposit.

The refund is limited to the MRDT paid on the purchase price of the accommodation for each of the specified number of days of accommodation that are set out in the confirmation or contract, or covered by the deposit.

### MRDT Paid Due to Rate Increase

If you paid MRDT on accommodation in an area that increased its MRDT rate, you may be eligible for a refund of some of the MRDT paid if, **before** the area increased its MRDT rate, you:

- received a written confirmation of the reservation,
- entered into a written contract for the purchase of the accommodation, or
- made a deposit on the purchase.

To qualify for a refund, the purchase of the accommodation must have been for a specified number of days as set out in the confirmation or contract, or covered by the deposit.

The refund is limited to the difference between the MRDT you paid and the MRDT you would have paid if the MRDT rate had not increased.

## **Medical Equipment Purchased with Charity Funds**

If you are an eligible charity and you contribute charity funds toward the purchase of eligible medical equipment, you may qualify for a refund of PST paid with those charity funds.

An eligible charity is:

- a registered charity, or
- a corporation that is incorporated under the *Society Act* and is a member of the British Columbia Association of Healthcare Auxiliaries.

Charity funds are the funds of an eligible charity, except funds provided directly or indirectly by:

- a health authority, a health facility or a local authority,
- the Provincial Health Services Authority,
- the Government of BC (except gaming grants), or
- the Government of Canada.

To be eligible for a refund of PST, the medical equipment must be purchased in whole or in part with charity funds and must be for use by a hospital, provincial mental health facility or certain community care facilities to treat patients or diagnose their ailments.

Generally, you may submit one refund claim per calendar year.

To apply for a refund, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on Charity-Funded Purchases of Medical Equipment (FIN 355/MEC)* and provide the supporting documentation listed in the instructions to the form.

For more information, including what medical equipment is eligible and the formula for calculating the refund, see [Bulletin PST 402](#), *PST Refunds on Charity-Funded Purchases of Medical Equipment*.

**Note:** Some medical equipment is exempt. For more information, see [Bulletin PST 207](#), *Medical Supplies and Equipment*.

## **Purchases Made with PAC-Raised Funds**

A Parents' Advisory Council (PAC), a board of education or a francophone education authority may qualify for a refund of PST paid on qualifying goods or software purchased in whole or in part with PAC-raised funds. To be eligible, the goods or software purchased must be for school or student use at the relevant school for which the PAC is established.

PAC-raised funds are funds that a PAC raised directly through its fundraising activities, through cash donations made directly to the PAC, and government funding provided directly to the PAC. Contributions from a school or an education authority are not PAC-raised funds.

A PAC must apply for the refund if the PAC, or a parent in the PAC, pays for the items. Generally, a PAC can apply for a refund once each school year.

A board of education or a francophone education authority must apply for the refund if the board of education or francophone education authority pays for the items using PAC-raised funds. Generally, a board of education or a francophone education authority can apply for a refund twice each school year.

To apply for a refund, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on PAC-Funded Purchases* ([FIN 355/PAC](#)) and provide the supporting documentation listed in the form instructions.

For more information, including the formula for calculating the refund, see [Bulletin PST 401](#), *PST Refunds on PAC-Funded Purchases*.

**Note:** Some school supplies are exempt. For more information, see [Bulletin PST 202](#), *School Supplies*.

## Property Shipped Out of BC

If you paid PST on the purchase of goods for business use outside of BC, you may be eligible for a refund of PST if:

- the goods were shipped out of BC for use outside BC, and
- no use of the goods was made while they were in BC, except to store and ship the goods out of BC.

If the goods shipped out of BC were provided by way of promotional distribution, to be eligible for a refund, the goods must have been shipped **in bulk** to a person for that person's use or consumption outside BC.

To apply for a refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form, as well as evidence the goods were shipped out of BC (e.g. bills of lading).

For more information on promotional distribution, see [Bulletin PST 311](#), *Promotional Materials and Special Offers*.

## Gifts from Outside Canada

If you paid PST on goods you brought or sent into BC, or received in BC, from outside Canada, you may be eligible for a refund from us if you received the goods as a gift from a donor that:

- paid one of the following taxes on the goods and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
  - PST,
  - tax on designated property (TDP) (the former 12% BC tax on private sales of vehicles, boats or aircraft that was in effect from July 1, 2010 to March 31, 2013),
  - a provincial portion of the HST,
  - SST (the former BC provincial sales tax that was in effect before July 1, 2010), or
  - sales tax of another jurisdiction (e.g. a provincial or state sales tax),
- was exempt from PST, TDP or SST that would have otherwise been payable, or
- received the goods as a gift in BC prior to April 1, 2013.

If the item you received as a gift is a vehicle, boat or aircraft, to qualify for this refund, the donor must be a related individual. A related individual is:

- your spouse, child, grandchild, great grandchild, parent, grandparent, great grandparent or sibling,
- the spouse of your child, grandchild or great grandchild, or
- the child, parent, grandparent or great grandparent of your spouse.

To apply for a refund for goods received as a gift, except vehicles, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

To apply for a refund for vehicles received as a gift, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on a Motor Vehicle* ([FIN 355/MV](#)) and provide the supporting documentation listed in the instructions to the form, as well as a completed *Gift of a Vehicle* form ([FIN 319](#)).

For more information on gifts of vehicles, see [Bulletin PST 308](#), *PST on Vehicles*.

## Prizes, Draws and Awards from Outside Canada

If you paid PST to the Canada Border Services Agency or Canada Post on goods you brought or sent into BC, or received in BC, from outside Canada, you may be eligible for a refund from us if:

- you received the goods:
  - by winning them in a lottery (the lottery must have been a lawful lottery, such as a BC Lottery Corporation lottery),
  - by winning them in a contest,
  - by winning them in a game of chance or skill,
  - by winning them in a draw (if the only consideration provided by the winner to be entered into the draw was an entrance or admission fee, ticket fee or similar charge), or
  - as an award for an achievement in a field of endeavor, including an athletic or sporting event, and
- the person providing the goods:
  - paid one of the following taxes on the goods and is not eligible for a refund, credit or rebate of that tax, including input tax credits:
    - PST,
    - tax on designated property (TDP) (the former 12% BC tax on private sales of vehicles, boats or aircraft that was in effect from July 1, 2010 to March 31, 2013),
    - a provincial portion of the HST,
    - SST (the former BC provincial sales tax that was in effect before July 1, 2010), or
    - sales tax of another jurisdiction (e.g. a provincial or state sales tax),
  - was exempt from PST, TDP or SST that would have otherwise been payable, or
  - received the good as a gift in BC prior to April 1, 2013.

For more information on the PST rules that apply to prizes received as a result of a raffle, draw or award, see [Bulletin PST 312](#), *Gifts*.



## Sales or Leases Written Off as Bad Debts

If you extend credit to a customer, you may be required to remit PST due on a sale or lease before you collect the PST from your customer. If the account of your customer later becomes uncollectable and is written off as a bad debt, you may be eligible for a refund of the amount of PST you remitted to us but did not collect from your customer.

If you are a PST registrant, you may claim a bad debt refund by making an adjustment on your PST return. If you are not a PST registrant, to apply for a refund, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

For more information on how to calculate and claim refunds of PST remitted on sales or leases written off as bad debts, see [Bulletin CTB 001](#), *Bad Debts*.

## Other Taxes

The following taxes apply to certain purchases and leases in addition to PST.

- Passenger vehicle rental tax (PVRT) of \$1.50 per day – see [Bulletin PST 116](#), *Motor Vehicle Dealers and Leasing Companies*
- 0.4% ICE Fund tax on energy products – see [Bulletin PST 203](#), *Energy, Energy Conservation and the ICE Fund Tax*
- Up to 3% MRDT on purchases of accommodation in participating municipalities and regional districts – see [Bulletin PST 120](#), *Accommodation*

If you paid PVRT, ICE Fund tax or MRDT and were not required to pay it, you are eligible for a refund of the tax paid. Within 180 days of the date you paid the PVRT, ICE Fund tax or MRDT, you may request a refund or credit directly from the collector. Alternatively, you may apply for a refund from us.

To apply for a refund from us, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form, as well as any other documentation to support the reason you are claiming a refund.

## Other Refunds

The following refunds may also apply in certain circumstances.

Unless otherwise noted, to apply for the refunds listed below, complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

### Leased Goods

- Refund for leased property used outside BC – see [Bulletin PST 315](#), *Rentals and Leases of Goods*
- Refund if a vehicle is leased outside BC – complete an *Application for Refund of Provincial Sales Tax (PST) Paid on a Motor Vehicle* ([FIN 355/MV](#)) – see [Bulletin PST 116](#), *Motor Vehicle Dealers and Leasing Companies*

### Goods Brought into BC from Outside Canada

The following refunds are provided by the Canada Border Services Agency (CBSA). For more information, see [Bulletin PST 310](#), *Goods Brought Into BC*.

- Refund if PST was collected by the CBSA or Canada Post on goods entering BC from outside Canada even though an exemption was claimed
- Refund if PST was collected by the CBSA or Canada Post on exempt goods brought into BC from outside Canada

For non-commercial refunds, use the *CBSA Informal Adjustment Request (B2G)* and for commercial refunds, use the *Canada Customs – Adjustment Request (B2)*. The forms are available at [cbasa-asfc.gc.ca/publications/forms-formulaires/](https://cbasa-asfc.gc.ca/publications/forms-formulaires/)

For information regarding PST paid to CBSA, call 1 800 461-9999.

### **Refund of PST Paid on Gifts, Prizes, Draws or Awards of Vehicles, Boats or Aircraft If the Donor Later Pays PST**

If you paid PST on a vehicle, boat or aircraft you received as a gift in BC, or as a qualifying prize, draw or award in BC, you may be eligible for a refund of the PST if:

- you would have qualified for an exemption on that item if the donor had previously paid PST on the item, and
- the donor later pays PST on the item (either through self-assessment or an assessment by us).

### **Conveyances**

Conveyances include aircraft, railway rolling stock and vessels used in the interprovincial or international carriage of passengers or goods. Vehicles are not conveyances.

Generally, conveyances are subject to a prorated amount of PST based on the portion of the use of the conveyance in BC. PST is initially due on the purchase price or lease price of the conveyance based on the estimated ratio of BC usage to total usage for a certain timeframe, multiplied by the PST rate of 7%. Generally, at the end of the timeframe, the actual ratio of BC usage to total usage must be calculated. If the actual ratio of BC usage is more than estimated, the person must self-assess the additional PST. If the actual ratio of BC usage is less than estimated, the person may be eligible for a partial refund.

Also, if a person has paid full PST in error on a conveyance (i.e. the person paid 7% PST on the purchase price of the conveyance, but should have paid a prorated amount of PST as described above), the person may be eligible for a refund of the difference.

### **Refund if More than \$100,000 in ICE Fund Tax Paid**

- Refund if a person paid more than \$100,000 in ICE Fund tax over a one-year period running from April 1 to March 31 – see [Bulletin PST 203](#), *Energy, Energy Conservation and the ICE Fund Tax*

### **Real Property Contracts with Exempt Persons**

- Refund of PST when a real property contractor purchases goods, pays PST on the goods because they intend to use the goods to fulfill a real property contract, and then uses the goods to fulfill a contract with a person who is exempt from PST – see [Bulletin PST 501](#), *Real Property Contractors*

## Special Event Liquor Permits

- Refund of part or all of the PST paid under a special event liquor permit if the permit was cancelled, there is unsold liquor after the event, or the actual selling price during the event was less than estimated – see [Bulletin PST 300](#), *Special Event Liquor Permits*
- To apply for a refund from us, complete an *Application for Refund of Provincial Sales Tax (PST) Special Event Permit (FIN 355/SEP)* and provide the supporting documentation listed in the instructions to the form

## Software

- Adjustment of tax at the end of a BC usage period for software purchased and/or used in the course of business on or with electronic devices that are ordinarily situated both inside and outside BC – see [Bulletin PST 105](#), *Software*

## Board Member's Liability

- Refund if a member of a corporation's board of directors has paid part or all of a corporation's tax debt under the joint and several liability rules for board member's liability if the government receives amounts in excess of the debt owed by the corporation – see [Bulletin CTB 006](#), *Board Member's Liability*

## Delivery Charges for Aggregate

- Refund if a person paid PST on optional delivery charges for aggregate purchased on or after April 1, 2018 – see [Bulletin PST 302](#), *Delivery Charges*

## Inventory Purchased under a Tax Payment Agreement (TPA)

- Refund if a business that entered into a TPA with us is required to self-assess on inventory items because the items remained in inventory for a period of 12 months and the items are later used for an exempt purpose – see [Bulletin PST 317](#), *Tax Payment Agreements*

## Horse Repurchased at a Claiming Race

- Refund if a person paid PST on the repurchase of a horse at a claiming race, if the person had paid PST (under the *Provincial Sales Tax Act* or the *Social Service Tax Act*) or the provincial portion of the HST on their previous purchase of that horse, if the person has not obtained and is not eligible to obtain a refund, rebate or credit of the tax they paid on the previous purchase, including input tax credits

## Appealing a Disallowed or Reduced Refund Claim

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If your refund claim is disallowed or reduced by us, you may appeal the disallowance or reduction by writing a letter to the Minister of Finance.

An appeal to the Minister of Finance must be received by us within 90 days of the date on the letter that notified you of the disallowed or reduced refund.

For more information on appeals, including how to file an appeal, see our [Appeals](#) page.



## 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 bulletin is for your convenience and guidance and is not a replacement for the legislation.

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### Latest Revision

October 25 2018

- Specified the kind of evidence needed to prove that PST was paid when submitting a refund claim
- Noted that we encourage taxpayers to provide supporting documentation for refund claims in an electronic format on a USB
- Added a reference to the new refund application form, ([FIN 355/SEP](#)), for special event liquor permits

October 2018

- Revised to reflect that the exemption for accommodation provided for a continuous period of more than one month has been replaced with an exemption for accommodation provided for a continuous period of 27 days or more (effective October 1, 2018).
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References: *Provincial Sales Tax Act*, sections 45, 46, 57, 58, 66, 67, 80.2, 96, 98, 108, 118.1, 124, 146-166 and 208; *Provincial Sales Tax Exemption and Refund Regulation*, sections 121-147; *Consular Tax Exemption Regulation*.