



# Provincial Sales Tax (PST) Notice

Notice 2017-005

Issued: November 2017

## PST on Clean Energy Vehicle Program Rebates

*Provincial Sales Tax Act*

Under the Clean Energy Vehicle Program (**CEV Program**), purchasers and lessees of qualifying new battery electric, fuel cell electric and plug in hybrid electric vehicles receive rebates from the Government of BC at the time of sale or lease.

How PST applies to the value of rebates provided under the CEV Program depends on when the rebate was received.

### Rebates Received Before December 1, 2017

Regulation 207/2017 under the *Financial Administration Act* provides a remission of the PST attributable to clean energy vehicle rebates received before December 1, 2017. This means the value of rebates received under the CEV Program before December 1, 2017 **are not included** in the purchase price or lease price of the vehicle (i.e. the rebates **reduce** the purchase price for the purposes of the PST).

Example:

Your customer purchases a new hybrid electric vehicle for \$61,000 on November 18, 2017. The vehicle is eligible for a \$5,000 point-of-sale rebate under the CEV Program.

For the purposes of the PST, the purchase price of the vehicle is \$56,000 (the rebate reduces the PST payable). The PST rate is 9%.

This means you charge \$5,040 in PST ( $\$56,000 \times 9\%$ ).

### Rebates Received On or After December 1, 2017

The value of rebates received on or after December 1, 2017 **are included** in the purchase price or lease price of the vehicle (i.e. the rebates **do not reduce** the purchase price for the purposes of the PST).

Example:

Your customer agrees to purchase a new hybrid electric vehicle for \$61,000 on or after December 1, 2017. The vehicle is eligible for a \$5,000 point-of-sale rebate under the CEV Program.

For the purposes of the PST, the purchase price of the vehicle is \$61,000 (the rebate does not reduce the PST payable). The PST rate is 10%.

This means you charge \$6,100 in PST ( $\$61,000 \times 10\%$ ).

For more information on how PST applies to purchases and leases of vehicles, see [Bulletin PST 116](#), *Motor Vehicle Dealers and Leasing Companies*.

## Further Information

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)

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