

# Non-Residents: Boats, Travel Trailers and Other Goods Brought Into the Province

## *Social Service Tax Act*

Effective February 20, 2002, the *Social Service Tax Act* was amended to:

- exempt boats and travel trailers from tax, when brought into the province for long-term *personal* use by non-resident *individuals*, and
- clarify the circumstances under which non-resident individuals are required to pay the tax on other goods brought into the province for personal use.

This bulletin does not apply to goods brought into the province by corporations or other businesses for business use. Persons or businesses who bring goods into the province for business purposes should refer to [Bulletin SST 043, Purchases of Tangible Personal Property From Out-Of-Province Suppliers](#) or [Bulletin SST 098, Equipment Brought into the Province for Temporary Use \(1/3 Formula\)](#).

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations can be found on the web at [www.rev.gov.bc.ca](http://www.rev.gov.bc.ca)

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## DEFINITIONS

### GOODS

As used in this bulletin, “**goods**” means tangible personal property as defined under the Act. This includes any property that can be seen, weighed, measured, felt or touched, or that is in any other way perceptible to the senses.

### NON-RESIDENT

A non-resident is an individual who does not reside, ordinarily reside, or carry on business in British Columbia.

Persons who own or lease a recreational facility such as a cabin or ski chalet in the province, which they occupy seasonally, are considered non-

residents as long as the facility is not that person's primary residence.

However, persons who receive a grant under British Columbia's *Home Owner Grant Act*, or are enrolled as a beneficiary under British Columbia's medical services plan, are generally considered to be residents of British Columbia and are subject to the same tax obligations as other residents.

### TRAVEL TRAILER

A travel trailer is a vehicle designed to be pulled on a highway and used as temporary or seasonal accommodation.

## EXEMPTION FOR BOATS AND TRAVEL TRAILERS

### WHAT IS EXEMPT?

Effective February 20, 2002, boats and travel trailers brought into British Columbia by non-resident individuals are exempt from tax, provided they are not used for a business purpose.

The exemption includes all parts, furnishings, draperies and equipment *that are an integral part of, or installed in*, the boat or travel trailer at the time it enters the province.

If the boat or travel trailer is used for a business purpose at any time after entry, the owner is required to pay, at that time, any tax due on the value of the boat or travel trailer and to register with the Consumer Taxation Branch, if necessary.

## **PARTS FOR BOATS AND RECREATIONAL VEHICLES**

The exemption for boats and travel trailers does not extend to parts brought into the province for use.

Parts purchased out of province and brought into the province before being installed are taxable on the total amount paid for the part, including customs and excise charges.

Parts purchased in the province by non-residents for exempt boats and travel trailers are taxable.

## **REPAIR, INSTALLATION AND MAINTENANCE**

Any service provided to install, assemble, dismantle, repair, adjust, restore, recondition, refinish or maintain tangible personal property in British Columbia is a taxable service.

Where such services are provided to boats or travel trailers owned by non-residents in British Columbia, or to parts, furnishings, or equipment on such boats or travel trailers, tax must be paid on the total charge for such services.

## **OTHER GOODS BROUGHT INTO THE PROVINCE**

### **WHEN DOES TAX APPLY?**

Non-resident individuals are required to pay tax on goods, other than boats and travel trailers, brought into the province for use if:

- they own real property in British Columbia, or
- they hold a leasehold interest in real property in the province under a lease agreement with a term of five years or more, including all options to extend or renew the lease, and the goods are used primarily in the province for the 12-month period following the date the goods were brought into the province. The calculation of the 12-month period of use in the province includes any time the good may be stored.

For example, a non-resident owns a ski lodge in British Columbia and occupies the lodge

seasonally. The non-resident purchases a stove from an out-of-province location, brings it into British Columbia, and installs it in the lodge for permanent use. The non-resident is required to pay tax on that stove. The tax applies whether the goods are brought into the province for the non-resident's own use, or for the use of any other person at the non-resident's expense.

### **WHEN IS TAX DUE?**

Where goods brought into the province are, by virtue of their nature or intended use, likely to be used in the province for the 12-month period after entry, tax is due at the time the goods are brought into the province. This includes lumber to build a seasonal residence, or fridges, stoves and other appliances for use in a seasonal dwelling owned by the non-resident.

Where it is not clear that the good will be used primarily in British Columbia, the tax becomes payable as soon as the good has been used primarily in the province for the 12-month period following the date the good was brought into the province.

Tax is payable on taxable goods and services purchased in the province at the time of purchase.

### **CALCULATING THE TAX DUE**

If the item brought into the province is new, tax is payable on the purchase price, including any costs for materials, labour, service, customs, excise, transportation and other manufacturing and processing costs and expenses incurred before the use of the item in British Columbia.

If the item is not new when it enters British Columbia, tax is payable on the depreciated value to a maximum of 50%, plus any costs for materials, labour, service, customs, excise, transportation and other manufacturing and processing costs and expenses.

### **HOW DO I PAY THE TAX?**

A completed *Return of Tax Due on Taxable Tangible Personal Property by a Purchaser/Seller Not Registered Under the Social Service Tax Act* form (FIN 428) must be forwarded to the Consumer Taxation Branch, along with the tax payable. Please follow the instructions on the form and make your cheque or money order payable to the Minister of Finance.

The form is available at Consumer Taxation Branch

and Government Agents offices, or by writing to:

Consumer Taxation Branch  
PO Box 9442 Stn Prov Govt  
Victoria, BC, V8W 9V4

This form may also be printed from the Consumer  
Taxation Branch Web site at [www.rev.gov.bc.ca/  
ctb](http://www.rev.gov.bc.ca/ctb)

### NEED MORE INFO?

**This bulletin is provided for convenience and guidance. If you still have questions call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440 elsewhere in Canada or refer to the legislation.**

**Information is also on the Web at [www.rev.gov.bc.ca](http://www.rev.gov.bc.ca) While there, you can subscribe to our free electronic update service.**

**References:** *Social Service Tax Act, Sections 1, 5, 6, 16, 19, 77(c), 79(3); Regulations 2.38, 2.45. Bill 3, Taxation Statutes Amendment Act, 2002.*