

New British Columbia Provincial Sales Tax Rebate on Select Machinery and Equipment

Updated October 14, 2021 & July 21, 2022

Incorporated businesses¹ may apply for a refund of the British Columbia Provincial Sales Tax (BC PST) paid between September 17, 2020 and March 31, 2022 on “qualifying machinery and equipment”² if certain conditions are met. This temporary rebate program is one of the measures introduced by the British Columbia’s Ministry of Finance (“**the Ministry**”) to help corporations recover from the financial impacts of Covid-19. It is separate and apart from the regular BC PST filings.

The Ministry has recently extended the deadline to submit the application to account for the statutory holiday on September 30, the National Day for Truth and Reconciliation. Starting April 1, 2021 until October 3, 2022 (an extension from September 30, 2022 as previously announced), incorporated businesses may submit a rebate application for the period(s) specified by the Ministry.

“Qualifying machinery and equipment” are capital assets in the capital cost allowance classes 8, 10, 12, 16, 38, 43, 43.1, 43.2, 46, 50, 53, 54, and 55 as they read on September 1, 2020, that are obtained substantially (i.e., more than 90 per cent) for the purpose of gaining or producing income. PST paid on leases (both capital or operating leases) of “qualifying machinery and equipment” also qualifies.

Note that the following list of goods are particularly excluded from the rebate program:

- Boats and vehicles, other than zero-emission vehicles
- Consumables, disposable items, real property
- Goods purchased to be installed as an improvement to real property (other than “affixed machinery”³)
- Goods purchased for resale by a small seller
- Exclusive products purchased by independent sales contractors.

The Ministry has provided examples of each capital cost allowance class of goods that qualifies for the rebate, and further instructions regarding the rebate process on their [website](#).

Specific professional advice should be obtained prior to the implementation of any suggestion contained in this article. Contact your Crowe Soberman advisor for more information.

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¹ Unincorporated businesses, provincial and federal Crown corporations, local government corporations, charities and non-profit corporations, schools, hospitals, etc. do not qualify for the rebate.

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³ “Affixed machinery” is machinery, equipment or apparatus that is:

- used directly in the manufacture, production, processing, storage, handling, packaging, display, transportation or distribution of goods, or in the provision of software or a service, and
- affixed to, or installed in, a building, a structure or land so that it becomes part of real property.