BRITISH COLUMBIA

Provincial Sales Tax Act

PROVINCIAL SALES TAX EXEMPTION AND REFUND REGULATION

B.C. Reg. 97/2013

Deposited March 1, 2013 and effective April 1, 2013
Last amended October 1, 2026 by B.C. Reg. 161/2026

Consolidated Regulations of British Columbia

This is an unofficial consolidation.

B.C. Reg. 97/2013 (O.C. 130/2013), deposited March 1, 2013 and effective April 1, 2013, is made under the *Provincial Sales Tax Act*, S.B.C. 2012, c. 35, ss. 236, 241, 242 and 243.

This is an unofficial consolidation provided for convenience only. This is not a copy prepared for the purposes of the *Evidence Act*.

This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at www.bclaws.ca.

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Provincial Sales Tax Act

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Provincial Sales Tax Act

PROVINCIAL SALES TAX EXEMPTION AND REFUND REGULATION

B.C. Reg. 97/2013

PART 1 – DEFINITIONS AND INTERPRETATION

Definitions

1 (1) In this regulation:

"Act" means the *Provincial Sales Tax Act*;

"alcohol-containing food product" means a food product that contains alcohol and also contains ingredients that make the food product unsuitable for use as an intoxicant;

"First Nation land" means land that is

(a) a reserve, or

(b) treaty lands of a treaty first nation

(i) that were, immediately before the effective date of the treaty first nation's final agreement, a reserve or surrendered lands, and

(ii) in respect of which a First Nation individual's property is exempt from taxation under section 87 of the *Indian Act* (Canada) or under a provision of a final agreement equivalent to that section;

"fishing equipment" includes the tangible personal property described in Schedule 3 *[Fishing Equipment for Commercial Fishing Purpose]*;

"francophone school" has the same meaning as in the *School Act*;

"heating oil" has the same meaning as in the *Motor Fuel Tax Act*;

"mineral" means

(a) metal ore or a natural substance that can be mined and that

(i) occurs in fragments or particles lying on, above or adjacent to the bedrock source from which it is derived, and is commonly described as talus,

(ii) is in the place or position in which it was originally formed or deposited, or

(iii) is loose, fragmentary or broken rock or float that, by decomposition or erosion of rock, is found in wash, loose earth, gravel or sand, and

(b) tailings, building and construction stone, marble, shale, clay, sand and gravel,

but does not include petroleum, natural gas, volcanic ash, earth, soil, marl or peat;

"Nisga'a Nation" has the same meaning as in the Nisga'a Final Agreement, as defined in the *Nisga'a Final Agreement Act*;

"obtain" means,

(a) in respect of tangible personal property,

(i) to purchase the tangible personal property,

(ii) to lease the tangible personal property as a lessee,

(iii) to bring or send into British Columbia, or receive delivery of in British Columbia, the tangible personal property, or

(iv) to receive the tangible personal property as a gift, and

(b) in respect of Part 4 software, to purchase or use the Part 4 software;

"Part 3 software" means software that is subject to tax or exempt from tax under Part 3 of the Act;

"Part 4 software" means software other than Part 3 software;

"practitioner" has the same meaning as in the *Pharmacy Operations and Drug Scheduling Act*;

"prescription" means any of the following:

(a) a formula or direction, given by a practitioner, for a remedy or treatment for a disease or disorder;

(b) despite section 3 (2) of the Schedule to the Regulated Health Practitioners Regulation, a contact lens record or dispensing authority, as those terms are defined in section 3 (1) of that Schedule to that regulation;

"primary aquaculture product" means an aquatic animal or aquatic plant grown or raised for sale, but does not include a processed or manufactured product or an aquarium specimen;

"Provincial school" has the same meaning as in the *School Act*;

"qualifying agricultural use" has the same meaning as in the Classification of Land as a Farm Regulation, B.C. Reg. 411/95;

"qualifying aquaculturist" means a person

(a) who carries on an aquaculture business,

(b) who holds a licence issued under

(i) section 24 (1) of the *Fisheries Act* (British Columbia), or

(ii) the Pacific Aquaculture Regulations made under the *Fisheries Act* (Canada), and

(c) in respect of whom either of the following applies:

(i) the person produced

(A) under any licence referred to in paragraph (b) that is held by that person,

(B) during the immediately preceding calendar year, and

(C) at that person's place of production,

primary aquaculture products with a gross market value of not less than $7 500;

(ii) the person reasonably expects to produce

(A) under any licence referred to in paragraph (b) that is held by that person,

(B) in the calendar year in which the last licence referred to in paragraph (b) was issued to that person or in one of the 4 calendar years following that calendar year, and

(C) at that person's place of production,

primary aquaculture products with a gross market value of not less than $7 500;

"qualifying commercial fisher" means a person who

(a) fishes for commercial purposes under the authority of the *Fisheries Act* (Canada), and

(b) received, in the immediately preceding calendar year, from commercial fishing in waters in or adjacent to British Columbia,

(i) not less than $10 000 in gross income, or

(ii) at least 51% of the person's total gross income;

"qualifying farmer" means any of the following:

(a) a person who is

(i) an owner, as defined in section 1 (1) of the *Assessment Act*, of land classified as a farm under that Act, or

(ii) a lessee of land classified as a farm under that Act;

(b) a person

(i) who is

(A) an owner, as defined in section 1 (1) of the *Assessment Act*, of land, or

(B) a lessee of land,

(ii) who uses less than 0.8 hectares of the land referred to in subparagraph (i) (A) or (B), as applicable, for one or more of the following purposes:

(A) beekeeping;

(B) mushroom growing;

(C) egg production;

(D) hog, poultry or rabbit farming;

(E) fur farming, and

(iii) who received, in the immediately preceding calendar year, not less than $2 500 in gross income from the person's use of that land for any of the purposes referred to in subparagraph (ii);

(c) a First Nation individual who

(i) uses First Nation land for a qualifying agricultural use, and

(ii) received, in the immediately preceding calendar year, not less than $2 500 in gross income from the qualifying agricultural use of the First Nation land;

(d) a person who uses land located outside British Columbia for a qualifying agricultural use and, in the immediately preceding calendar year,

(i) if the area of the land is less than 0.8 hectares, received not less than $10 000 in gross income from the qualifying agricultural use of the land,

(ii) if the area of the land is not less than 0.8 hectares but not more than 4 hectares, received not less than $2 500 in gross income from the qualifying agricultural use of the land, or

(iii) if the area of the land is more than 4 hectares, received gross income from the qualifying agricultural use of the land that is not less than the total of $2 500 plus 5% of the assessed value of the area of land in excess of 4 hectares, for the purpose of real property taxation, in the jurisdiction in which the land is located;

"qualifying school" means any of the following:

(a) a school, as defined in the *School Act*;

(b) a francophone school;

(c) a Provincial school;

(d) an independent school, as defined in the *Independent School Act*;

(e) a school operated by a participating First Nation or a Community Education Authority established by one or more participating First Nations under the *First Nations Jurisdiction over Education in British Columbia Act* (Canada);

(f) a school operated by the Nisga'a Nation, or a treaty first nation, under its own laws;

(g) an institution, as defined in the *College and Institute Act*;

(h) a university;

(i) an institution that holds a designation certificate or an interim designation certificate as defined in the *Private Training Act*;

"reserve" has the same meaning as in the *Indian Act* (Canada);

"residential dwelling" means any of the following:

(a) a house, a cottage or another detached dwelling;

(b) a duplex;

(c) an apartment, a condominium or a townhouse;

(d) an apartment building, or a condominium or townhouse complex, that is used solely for the purpose of single family dwellings;

(e) an assisted living residence, as defined in the *Community Care and Assisted Living Act*;

(f) a long-term residential care facility;

(g) a part of a multi-use building that is used for a residential use;

(h) land that is attributable to a building, or part of a building, referred to in paragraphs (a) to (g) and that is used for a residential use,

but does not include any of the following:

(i) a building, or part of a building, referred to in paragraphs (a) to (g) while the building or part is under original construction;

(j) that part of a hotel, motel, lodge or resort, or of another building or part of a building, providing short-term lodging;

(k) a hospital or other institutional building;

(l) a bunk house or camp building, for use in connection with a commercial or construction project;

(m) those parts of a building that are used for any purpose other than a residential use;

"residential energy product" means any of the following:

(a) electricity;

(b) natural gas;

(c) heating oil that is coloured within the meaning of section 16.1 of the *Motor Fuel Tax Act*;

(c.1) butane;

(c.2) naphtha;

(d) kerosene;

(d.1) methanol;

(e) heat, including transferred energy that results in cooling;

(f) steam;

"residential use" does not include use for a business, commercial or industrial purpose;

"spouse" means a person who

(a) is married to another person, or

(b) is living with another person in a marriage-like relationship, and has been living in that relationship for a continuous period of at least 2 years;

"surrendered lands" has the same meaning as in the *Indian Act* (Canada).

(2) The definition of "month" in section 1 *[definitions]* of the Act does not apply for the purposes of this regulation.

(3) In Schedules 2 *[Tangible Personal Property for Farm Purpose]* and 4 *[Tangible Personal Property for Aquaculture Purpose]*, **"qualifying all-terrain vehicle"** means an all-terrain vehicle that

(a) is self-propelled,

(b) has at least 4 wheels,

(c) is designed primarily for use on unprepared surfaces, and

(d) is not eligible to be licensed for use on a highway in British Columbia, except in accordance with section 24.03 *[utility vehicles]* of the Motor Vehicle Act Regulations, B.C. Reg. 26/58.

[am. B.C. Regs. 216/2013, App. 1, s. 1; 117/2014, Sch. 4, s. 1; 76/2016, Sch. 2, s. 1; 148/2016; 128/2025, s. 19.]

Interpretation of Schedule 2

2 (1) The tangible personal property described in Schedule 2 *[Tangible Personal Property for Farm Purpose]* does not include hoop house frames.

(2) In Schedule 2, the titles of Tables 1 to 14

(a) are not part of this regulation, and

(b) are to be considered to have been added editorially for convenience of reference only.

Heat pump

2.1 For the purposes of the definition of "heat pump" in section 1 of the Act, a heat pump means

(a) a heat pump unit and any parts or components included as part of the heat pump unit on the initial purchase of the unit, or

(b) a hybrid heat pump unit that

(i) is a single factory-integrated unit, and

(ii) combines a heat pump and a furnace, boiler, water heater or similar system

and any parts or components included as part of the hybrid heat pump unit on the initial purchase of the unit.

[en. B.C. Reg. 206/2022, s. 1.]

PART 2 – EXEMPTIONS IN RELATION TO TANGIBLE PERSONAL PROPERTY

Division 1 – Health and Medical Products and Equipment for Individuals with Disabilities

Drugs and health products

3 (1) The following are exempt from tax imposed under Part 3 of the Act:

(a) drugs specified in Schedule I or IA of the Drug Schedules Regulation, B.C. Reg. 9/98;

(b) a vaccine that is

(i) specified in Schedule II of the Drug Schedules Regulation, B.C. Reg. 9/98, or

(ii) a veterinary drug, as defined in section 1 of the *Veterinary Drugs Act*;

(c) drugs and other substances for the treatment, mitigation or prevention of a disease or disorder, if the drugs and other substances are

(i) sold on the prescription of a practitioner, or

(ii) provided as part of a promotional distribution by a pharmaceutical company to a practitioner;

(d) tangible personal property that is the result of a medical imaging procedure;

(e) drugs and other substances that alleviate pain and are in a form designed to be taken internally, whether orally or otherwise, or applied externally;

(f) artificial limbs and orthopaedic appliances;

(g) hearing aids;

(h) dentures, including adhesives, liners and repair kits for dentures;

(i) dental and optical appliances, if

(i) the appliances are sold on the prescription of a practitioner or a person who is authorized under the *Health Professions and Occupations Act* to practise the designated health profession of opticianry, or

(ii) the appliances are provided as part of a promotional distribution to a person referred to in subparagraph (i) and are otherwise available to patients only by prescription;

(j) clip-on sunglasses, if the sunglasses are

(i) obtained together with eyeglasses that are exempt under paragraph (i) of this subsection, and

(ii) specifically designed to be attached to the eyeglasses;

(k) sanitary napkins or pads, tampons, sanitary belts, underwear, menstrual cups or other similar products, advertised or marketed substantially for menstrual or postpartum purposes.

(2) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part:

(a) vitamins and dietary supplements or adjuncts, in a form designed to be ingested orally, if the vitamins, supplements or adjuncts are obtained for human consumption;

(b) nicotine gum, nicotine patches and similar items, advertised or marketed as products that assist an individual to stop smoking tobacco, if the gum,

patches or other similar items are obtained by or on behalf of an individual for the individual's own use.

[am. B.C. Regs. 227/2018, s. (c); 28/2024, Sch. C, s. 1; 132/2024, s. 16; 128/2025, s. 20.]

Household medical aids

4 (1) Subject to subsection (2), drugs and medicines, including those in the form of salves, ointments, nasal sprays, inhalants, antiseptics, liniments, foot powders, germicides, laxatives, cough syrups and cold and flu remedies, that are

(a) advertised or marketed as products for the treatment, mitigation or prevention of a disease or disorder in humans, and

(b) commonly known as household medical aids

are exempt from tax imposed under Part 3 of the Act.

(2) The exemption under subsection (1) does not apply to the following:

(a) sunscreen;

(b) oral hygiene products, including toothpaste and mouthwash;

(c) toiletries, shaving products, depilatories and fragrances;

(d) soaps and moisturizers, unless the soap or moisturizer is medicated and is advertised or marketed as a product for the treatment, mitigation or prevention of a particular skin condition;

(e) hair products, unless the hair product is advertised or marketed as a product for the treatment of head lice;

(f) beauty products and cosmetics.

(3) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained for use in the treatment of humans:

(a) bunion, callus and corn pads;

(b) first aid materials.

Exception – cannabis

4.1 The exemptions under sections 3 and 4, other than under section 3 (1) (a), do not apply to cannabis within the meaning of the *Cannabis Control and Licensing Act*.

[en. B.C. Reg. 212/2018, s. 1.]

Diabetic and ostomy supplies

5 The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part:

(a) syringes, needles, autolets, glucose monitoring units and diabetic testing materials obtained by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use;

(b) material, equipment and supplies

(i) designed for use by individuals who, as a result of surgery, are in the permanent condition of being able to dispose of their bodily wastes only through a surgically constructed bodily orifice, and

(ii) obtained by an individual with such a condition, or another individual on behalf of the individual, for that individual's own use,

but not including skin creams, deodorants, cleaning materials or any other products that by their general nature are generally used for other purposes or by other individuals.

Human parts and reproductive products

6 The following are exempt from tax imposed under Part 3 of the Act:

(a) human organs;

(b) human tissue;

(c) human semen;

(d) human ova;

(e) human blood;

(f) human blood constituents.

Devices for use in transportation of individuals with disabilities

7 (1) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained for use in the transportation of individuals with disabilities:

(a) wheelchairs and carriages, whether or not power-operated, and parts and accessories designed for them;

(b) special controls to enable individuals with disabilities to operate electronic wheelchairs and carriages;

(c) patient lifters;

(d) specially designed household elevators, including wheelchair elevators, for individuals with disabilities, and materials obtained for use to build specially designed household elevators for individuals with disabilities, if the elevators become real property upon installation;

(e) power-operated and manually operated lifts designed to facilitate entry to otherwise inaccessible buildings, structures or vehicles, including automatic tailgates or side lifts for motor vehicles;

(f) specially designed ramps to move a wheelchair and the occupant into a motor vehicle or building;

(g) auxiliary driving controls that facilitate the operation of motor vehicles by individuals with disabilities;

(h) car-top lifts for lifting and storing wheelchairs on top of motor vehicles.

(2) Parts and materials are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the parts or materials

(a) are obtained solely for the purpose of

(i) modifying a motor vehicle, other than a multijurisdictional vehicle, to facilitate the use of the vehicle by, or the transportation of, an individual using a wheelchair, or

(ii) equipping a motor vehicle, other than a multijurisdictional vehicle, with an auxiliary driving control to facilitate the operation of the vehicle by an individual with a disability, and

(b) are subsequently attached to, or become part of, the motor vehicle.

Medical supplies and equipment for individuals with disabilities

8 (1) The following are exempt from tax imposed under Part 3 of the Act:

(a) equipment designed solely for use by an individual with a permanent disability;

(b) tangible personal property designed to be implanted in an individual's body;

(c) tangible personal property designed to be attached to an individual's body for the purpose of maintaining the individual's bodily functions;

(d) hospital-style beds, if the beds are sold on the prescription of a practitioner;

(e) injection locators;

(f) commodes and hip belts for use with a commode;

(g) crutches;

(h) cannulae;

(i) syringe injectors;

(j) transfer boards and transfer chairs;

(k) hernia trusses;

(l) lift chairs designed to facilitate standing to sitting or sitting to standing, or both.

(2) Equipment advertised or marketed for use solely by individuals with disabilities is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the equipment is obtained by or on behalf of an individual with a disability for the individual's own use.

[am. B.C. Reg. 124/2015.]

Division 2 – Clothing

Children's clothing and footwear

9 (1) In this section:

"adult-sized clothing or footwear" means the following, in sizes designed for adults:

(a) garments;

(b) hosiery, hats, ties, belts, suspenders, mittens and gloves;

(c) uniforms, including uniforms for school, sports or recreational activities;

(d) footwear;

"children's clothing" means the following:

(a) garments designed for babies, including bibs, baby blankets, shawls, receiving blankets, bunting bags, cloth diapers, diaper liners, plastic pants and rubber pants;

(b) children's garments that are

(i) designed for girls and of a size not greater than the size that is girls' size 16 according to the national standard applicable to the garments,

(ii) designed for boys and of a size not greater than the size that is boys' size 20 according to the national standard applicable to the garments, or

(iii) if no national standard applies to the garments, advertised or marketed as being of a size designed for children;

(c) hosiery, hats, ties, belts, suspenders, mittens and gloves in sizes designed for children;

(d) uniforms in sizes designed for children, including uniforms for school, sports or recreational activities;

"children's footwear" means footwear designed

(a) for babies, or

(b) for girls or boys and that has an insole length of 24.25 cm or less;

"national standard" means a standard of the National Standards of Canada, as they read on April 1, 2013, in the subject area CAN/CGSB-49, Garment Sizes, published by the Canadian General Standards Board;

"youth organization" means

(a) a society as defined in the *Societies Act*,

(b) a registered charity, or

(c) a school

that administers a team, activity or program that includes children under 15 years of age.

(2) Subject to subsection (4), children's clothing and children's footwear are exempt from tax imposed under Part 3 of the Act.

(3) Subject to subsection (4), adult-sized clothing or footwear is exempt from tax imposed under Part 3 of the Act if the adult-sized clothing or footwear is obtained for a child under 15 years of age.

(4) The exemptions under subsections (2) and (3) do not apply to the following:

(a) aprons and smocks, if the apron or smock is designed to be worn over and to protect other clothing;

(b) athletic equipment, including supports and pads;

(c) costumes sold with masks, toys or accessories;

(d) disposable diapers;

(e) gloves advertised or marketed primarily for use in sports, other than skiing or snowboarding;

(f) handkerchiefs;

(g) ice skates, roller skates and inline skates;

(h) scarves, other than scarves sold as part of a uniform;

(i) shoe insoles and shoelaces;

(j) snowshoes;

(k) sport pinnies and scrimmage vests;

(l) swimfins.

(5) Subsection (3) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(6) For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that adult-sized clothing or footwear is exempt under subsection (3) of this section, the collector is required to obtain all of the following:

(a) the full name, address and telephone number of that person;

(b) the following information:

(i) if the adult-sized clothing or footwear is obtained by or on behalf of a youth organization, the name of the youth organization;

(ii) in any other case, the full name of the child for whom the adult-sized clothing or footwear is being obtained;

(c) the purchase price of the adult-sized clothing or footwear;

(d) a declaration in a form specified by the director.

[am. B.C. Regs. 211/2015, s. 30; 137/2024, App. 3, s. 1.]

Used clothing and footwear

10 An item of used clothing or used footwear is exempt from tax imposed under Part 3 of the Act if

(a) the item was previously sold at a retail sale and previously used as clothing or footwear, and

(b) the purchase price of the item is less than $100.

11 Repealed. [B.C. Reg. 113/2026, App. 1, s. 1.]

Division 3 – School Supplies

Definition

12 In this Division, **"obtain"** does not include leasing tangible personal property as a lessee.

School supplies obtained for use of student

13 The following are exempt from tax imposed under Part 3 of the Act if obtained for the use of a student who is enrolled in an educational program provided by a qualifying school or who is being educated in accordance with Division 4 *[Home Education]* of Part 2 of the *School Act*:

(a) bags specifically designed to carry school books and supplies, other than the following:

(i) attaché cases;

(ii) backpacks;

(iii) bags with wheels;

(iv) briefcases;

(v) knapsacks;

(vi) sports bags;

(vii) tote bags;

(b) drawing instruments, including geometry instruments;

(c) erasers;

(d) glue;

(e) ink;

(f) lined, unlined, drawing, graph and music manuscript paper;

(g) paints and paint brushes, other than theatrical make-up and brushes and carrying cases associated with that make-up;

(h) pencil and wax crayons;

(i) pencils;

(j) pens, other than fountain pens and nibs;

(k) ring binders;

(l) rulers;

(m) school art portfolios;

(n) work books.

School supplies obtained by qualifying school, school board or similar authority

14 (1) Subject to subsection (2), the following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by a qualifying

school, school board or similar authority for the use of students or for use in instructing students:

(a) cellulose tape;

(b) chalk;

(c) charts, diagrams and maps;

(d) lesson notes, précis, examinations, test papers, answer keys, work sheets and other similar materials, and material to manufacture those materials;

(e) paper clips;

(f) pens and markers for use on whiteboards;

(g) rubber bands;

(h) software obtained for use

(i) on a computer, and

(ii) substantially as a teaching aid for students;

(i) staples;

(j) visual or audio aids and recordings, other than the following:

(i) educational toys, geometric forms, models, display stands and felt boards;

(ii) equipment obtained for use to record, play, project, view or access audio or video;

(k) wooden pencil boxes;

(l) supplies and materials obtained for consumption in home economics courses, other than the following:

(i) cutlery, dishes, pots and pans;

(ii) table linen and towels;

(iii) bobbins, needles, scissors, sewing machine attachments and tape measures;

(iv) tools and equipment;

(m) supplies and materials obtained for consumption in woodworking, metal working or other industrial arts courses, other than tools and equipment including drill bits, re-usable electrical and electronic parts, grinding wheels and saw blades;

(n) animals, either living or dead, and parts of animals, obtained for use in scientific research or experiments;

(o) supplies and materials, including chemicals, obtained for consumption in science courses, other than the following:

(i) alcohol burner wicks;

(ii) containers obtained for use as hazardous waste disposal units for phlebotomy sharps;

(iii) fossils, rocks, minerals and other geological specimens;

(iv) gas lighter flints;

(v) glassware;

(vi) lubricants obtained for use to maintain and prevent spotting, staining and rusting of surgical instruments;

(vii) needles;

(viii) non-disposable gloves;

(ix) osteological preparations;

(x) animal feed;

(xi) supplies for animals;

(xii) prepared microscope slides;

(xiii) preserved specimens for display;

(xiv) skeletons;

(xv) surgical instruments;

(xvi) syringes;

(xvii) tools and equipment;

(p) supplies and materials obtained for consumption in arts courses, other than the following:

(i) instrument picks and strings;

(ii) tools and equipment;

(q) supplies and materials obtained for consumption in commercial or business courses, other than tools and equipment;

(r) supplies and materials obtained for consumption in vocational training courses, other than tools and equipment.

(2) The following are not exempt under subsection (1):

(a) chalkboards, chalkboard erasers and chalkboard cleaning materials;

(b) whiteboards, whiteboard erasers and whiteboard cleaning materials;

(c) software obtained for use

(i) on a computer, and

(ii) by teachers to assess or evaluate students or to report on students' progress;

(d) plaques, trophies, awards, certificates and stickers.

(3) Photocopier toner obtained by a qualifying school, school board or similar authority is exempt from tax imposed under Part 3 of the Act in respect of the portion of the photocopier toner that can reasonably be attributed to the use of the toner in making copies

(a) for the use of students, or

(b) for use in instructing students.

(4) Subsections (1) and (3) of this section are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

[am. B.C. Reg. 216/2013, App. 2, s. 1.]

Division 4 – Publications

Definitions

15 In this Division:

"advertising and promotional content", in relation to a magazine, periodical or newspaper, includes the following:

(a) all advertisements, promotional material and promotional articles, irrespective of who bears the cost for the publication of the advertisement, promotional material or promotional article;

(b) all material and articles paid for or sponsored by a person who is not an owner or publisher of the magazine, periodical or newspaper;

(c) maps, charts, pictures and diagrams that are related to, or are a part of, the advertising and promotional content;

"editorials, news and articles of local or common interest content", in relation to a newspaper, includes the following:

(a) maps, charts, pictures and diagrams that are related to, or are a part of, that content;

(b) the masthead;

(c) the title page;

(d) public service listings of events, activities or attractions for which no consideration of any kind is paid or exchanged and for which editorial control rests solely with the publisher;

(e) business market quotations;

(f) sports scores;

(g) movie, theatre and other reviews;

(h) weather forecasts;

(i) comics;

(j) crosswords and similar puzzles;

(k) horoscopes;

(l) television listings;

(m) letters to the editor,

but does not include excluded content and advertising and promotional content;

"excluded content", in relation to a publication, means covers, indices, tables of contents, borders and duplicated or blank pages;

"excluded publication" means the following:

(a) directories, programs, price lists, timetables, rate books, reports, albums, course calendars, date calendars, sports or recreation calendars, brochures and pamphlets;

(b) a publication that is published for the same or a similar purpose as a publication referred to in paragraph (a);

(c) catalogues and similar publications whose primary purpose is to describe, or to promote or encourage the purchase, use or consumption of, tangible personal property, software, services or real property;

"magazine" means a printed and bound publication in a magazine format that is issued at regular intervals each year by

(a) a professional body,

(b) a trade or industrial organization,

(c) a commercial publishing firm,

(d) a not-for-profit corporation, or

(e) an employer to the employer's employees,

but does not include an excluded publication;

"newspaper" means a printed and unbound publication in a newspaper format that is published at regular intervals each year, but does not include the following:

(a) an excluded publication;

(b) advertising material known as flyers, or advertising circulars, even if the flyers or advertising circulars are sold or given away as part of the publication;

"periodical" means a printed and bound publication in a periodical format that is issued at regular intervals each year by

(a) a professional body,

(b) a trade or industrial organization,

(c) a commercial publishing firm, or

(d) a not-for-profit corporation,

but does not include an excluded publication;

"technical, literary, editorial and pictorial content", in relation to a magazine or periodical, includes

(a) maps, charts, pictures and diagrams that are related to, or are a part of, that content,

(b) the masthead, and

(c) the title page,

but does not include excluded content and advertising and promotional content.

Publications

16 (1) The following are exempt from tax imposed under Part 3 of the Act:

(a) a printed and bound book that

(i) contains no advertising, and

(ii) is published solely for educational, technical, cultural or literary purposes,

but not a directory, price list, timetable, rate book, catalogue, report, fashion book, album or any other similar book;

(b) an employee newsletter;

(c) a student yearbook;

(d) sheet music;

(e) a magazine or periodical if at least 10% of the content is composed of technical, literary, editorial and pictorial content;

(f) a newspaper if at least 20% of the content is composed of editorials, news and articles of local or common interest content.

(2) If a publication is sold or given away with another publication, a determination of whether each publication qualifies for an exemption under subsection (1) (e) or (f) must be based on the content of each publication considered separately.

Calculation of content of magazines, periodicals and newspapers

17 (1) For the purposes of section 16 (1) (e), the technical, literary, editorial and pictorial content of a magazine or periodical must be calculated by

(a) determining the area of all the pages of the magazine or periodical,

(b) determining the area of the excluded content of the magazine or periodical,

(c) subtracting the area determined under paragraph (b) of this subsection from the area determined under paragraph (a),

(d) determining the area of the technical, literary, editorial and pictorial content of the magazine or periodical, and

(e) calculating, as a percentage, the proportion that the area determined under paragraph (d) of this subsection is to the area that results from the calculation under paragraph (c).

(2) For the purposes of section 16 (1) (f), the editorials, news and articles of local or common interest content of a newspaper must be calculated by

(a) determining the area of all the pages of the newspaper,

(b) determining the area of the excluded content of the newspaper,

(c) subtracting the area determined under paragraph (b) of this subsection from the area determined under paragraph (a),

(d) determining the area of the editorials, news and articles of local or common interest content of the newspaper, and

(e) calculating, as a percentage, the proportion that the area determined under paragraph (d) of this subsection is to the area that results from the calculation under paragraph (c).

Division 5 – Gifts, Prizes, Draws and Awards

Gifts

17.1 (1) In this section:

"person" does not include a registered charity;

"tangible personal property" does not include a vehicle, boat or aircraft.

(2) Subject to this section, a person is exempt from tax imposed under section 49 *[tangible personal property brought into British Columbia for use]* of the Act in respect of tangible personal property if the person received the tangible personal property as a gift from a donor.

(3) Subject to subsection (4), the exemption under subsection (2) applies to a person in respect of tangible personal property only if the donor of the tangible personal property

(a) paid tax under the Act or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(c) paid sales tax in respect of the tangible personal property to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax,

(d) received, before April 1, 2013, the tangible personal property as a gift in British Columbia, or

(e) was exempt, when that donor obtained the tangible personal property, from tax

(i) under the *Social Service Tax Act*, or

(ii) under the Act, other than under section 26 *[tangible personal property shipped outside British Columbia]* of this regulation.

(4) The exemption under subsection (2) does not apply to a person in respect of tangible personal property if

(a) the donor of the tangible personal property paid tax in respect of the tangible personal property only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax that, but for subsection (2) of this section, would be

payable by the person under section 49 of the Act in respect of the tangible personal property.

[en. B.C. Reg. 216/2013, App. 1, s. 3.]

Gifts between family members

18 (1) In this section:

"donor", in respect of a vehicle, boat or aircraft, means the related individual from whom the person referred to in subsection (2) (a) or (b) received the vehicle, boat or aircraft as a gift;

"related individual" includes a sibling.

(2) Subject to this section,

(a) a person is exempt from tax imposed under sections 49 *[tangible personal property brought into British Columbia for use]* and 50 *[tax on registration of vehicle brought into British Columbia]* of the Act in respect of a vehicle, boat or aircraft if the person received the vehicle, boat or aircraft as a gift from a related individual, and

(b) a person is exempt from tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft in British Columbia]* of the Act in respect of a vehicle, boat or aircraft if the person receives the vehicle, boat or aircraft as a gift from a related individual.

(3) Subject to subsection (5), the exemptions under subsection (2) (a) and (b) apply to a person in respect of a vehicle, boat or aircraft only if the donor of the vehicle, boat or aircraft

(a) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(c) paid sales tax in respect of the vehicle, boat or aircraft to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax,

(d) received, before April 1, 2013, the vehicle, boat or aircraft as a gift in British Columbia, or

(e) was exempt, when that donor obtained the vehicle, boat or aircraft, from tax

(i) under the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act*, or

(ii) under the Act, other than under any of the following provisions of this regulation:

(A) section 23 *[vehicle, boat or aircraft brought into British Columbia for gift]*;

(B) section 24 *[vehicle purchased for use outside British Columbia]*;

(C) section 25 *[aircraft purchased for use outside British Columbia]*;

(D) section 26 *[tangible personal property shipped outside British Columbia]*.

(4) The exemptions under subsection (2) (a) and (b) do not apply to a person in respect of a vehicle, boat or aircraft if the donor of the vehicle, boat or aircraft

(a) received the vehicle, boat or aircraft as a gift during the 12 months before the date on which the donor gave that vehicle, boat or aircraft as a gift to the person referred to in subsection (2) (a) or (b), and

(b) was exempt under subsection (2) (a) or (b) from tax imposed under the Act in respect of the vehicle, boat or aircraft,

unless the donor received the vehicle, boat or aircraft referred to in paragraph (a) of this subsection as a gift from the person referred to in subsection (2) (a) or (b).

(5) The exemptions under subsection (2) (a) and (b) do not apply to a person in respect of a vehicle, boat or aircraft if

(a) the donor of the vehicle, boat or aircraft paid tax in respect of the vehicle, boat or aircraft only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the person under section 49, 50 or 100 of the Act, as applicable, in respect of the vehicle, boat or aircraft.

(6) For the purposes of section 30 (7) (a) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under subsection (2) (a) or (b) of this section, the Insurance Corporation of British Columbia is required to obtain a declaration in a form acceptable to the director.

[am. B.C. Reg. 216/2013, App. 1, s. 4.]

Registered charities

19 (1) Subject to this section,

(a) a registered charity is exempt from tax imposed under sections 49 *[tangible personal property brought into British Columbia for use]* and 50 *[tax on registration of vehicle brought into British Columbia]* of the Act in respect

of tangible personal property if the registered charity received the tangible personal property as a gift from a donor, and

(b) a registered charity is exempt from tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft in British Columbia]* of the Act in respect of a vehicle, boat or aircraft if the registered charity receives the vehicle, boat or aircraft as a gift from a donor.

(2) Subject to subsection (3), the exemptions under subsection (1) (a) and (b) apply to a registered charity in respect of tangible personal property only if the donor of the tangible personal property

(a) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(c) paid sales tax in respect of the tangible personal property to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax,

(d) received, before April 1, 2013, the tangible personal property as a gift in British Columbia, or

(e) was exempt, when that donor obtained the tangible personal property, from tax

(i) under the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act*, or

(ii) under the Act, other than under any of the following provisions of this regulation:

(A) section 23 *[vehicle, boat or aircraft brought into British Columbia for gift]*;

(B) section 24 *[vehicle purchased for use outside British Columbia]*;

(C) section 25 *[aircraft purchased for use outside British Columbia]*;

(D) section 26 *[tangible personal property shipped outside British Columbia]*.

(3) The exemptions under subsection (1) (a) and (b) do not apply to a person in respect of tangible personal property if

(a) the donor of the tangible personal property paid tax in respect of the tangible personal property only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and

section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax that, but for subsection (1) (a) or (b) of this section, would be payable by the person under section 49, 50 or 100 of the Act, as applicable, in respect of the tangible personal property.

(4) For the purposes of section 30 (7) (a) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under subsection (1) (a) or (b) of this section, the Insurance Corporation of British Columbia is required to obtain a declaration in a form acceptable to the director.

Prizes, draws and awards

20 (1) In this section, **"donor"**, in respect of a vehicle, boat or aircraft, means the person from whom the person referred to in subsection (2) (a) or (b) received the vehicle, boat or aircraft.

(2) Subject to this section,

(a) a person is exempt from tax imposed under sections 49 *[tangible personal property brought into British Columbia for use]* and 50 *[tax on registration of vehicle brought into British Columbia]* of the Act in respect of a vehicle, boat or aircraft if the person received the vehicle, boat or aircraft as a result of any of the circumstances described in subsection (3) of this section, and

(b) a person is exempt from tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft given in British Columbia]* of the Act in respect of a vehicle, boat or aircraft if the person receives the vehicle, boat or aircraft as a result of any of the circumstances described in subsection (3) of this section.

(3) Subject to subsection (4), the exemptions under subsection (2) (a) and (b) apply to a person in respect of a vehicle, boat or aircraft only if the person received the vehicle, boat or aircraft as a result of any of the following circumstances:

(a) a lawful lottery scheme within the meaning of section 207 of the *Criminal Code*;

(b) a contest, game of chance or skill, or mixed chance and skill, or a disposition by any mode of chance, skill or mixed chance and skill;

(c) an achievement in a field of endeavour, including athletic or sporting events;

(d) a draw or awarding of a prize if the only consideration provided by the person who received the vehicle, boat or aircraft is in the form of an entrance or admission fee, a ticket fee or another similar charge.

(4) The exemptions under subsection (2) (a) and (b) do not apply to a person in respect of a vehicle, boat or aircraft if the person received the vehicle, boat or

aircraft as a result of a private arrangement, including a wager, between 2 or more persons.

(5) Subject to subsection (6), the exemptions under subsection (2) (a) and (b) apply to a person in respect of a vehicle, boat or aircraft only if the donor of the vehicle, boat or aircraft

(a) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(c) paid sales tax in respect of the vehicle, boat or aircraft to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax,

(d) received, before April 1, 2013, the vehicle, boat or aircraft as a gift in British Columbia, or

(e) was exempt, when that donor obtained the vehicle, boat or aircraft, from tax

(i) under the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act*, or

(ii) under the Act, other than under any of the following provisions of this regulation:

(A) section 23 *[vehicle, boat or aircraft brought into British Columbia for gift]*;

(B) section 24 *[vehicle purchased for use outside British Columbia]*;

(C) section 25 *[aircraft purchased for use outside British Columbia]*;

(D) section 26 *[tangible personal property shipped outside British Columbia]*.

(6) The exemptions under subsection (2) (a) and (b) do not apply to a person in respect of a vehicle, boat or aircraft if

(a) the donor of the vehicle, boat or aircraft paid tax in respect of the vehicle, boat or aircraft only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax that, but for subsection (2) (a) or (b) of this section,

would be payable by the person under section 49, 50 or 100 of the Act, as applicable, in respect of the vehicle, boat or aircraft.

(7) For the purposes of section 30 (7) (a) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under subsection (2) (a) or (b) of this section, the Insurance Corporation of British Columbia is required to obtain a declaration in a form acceptable to the director.

[am. B.C. Reg. 216/2013, App. 1, s. 5 and App. 2, s. 2.]

Inheritance of tangible personal property

21 Tangible personal property transferred as part of the distribution of a deceased individual's estate is exempt from tax imposed under Part 3 of the Act.

Division 6 – Tangible Personal Property Entering or Leaving British Columbia

New resident's effects – tangible personal property

22 (1) Tangible personal property is exempt from tax imposed under sections 49 *[tangible personal property brought into British Columbia for use]*, 50 *[tax on registration of vehicle brought into British Columbia]* and 55 *[property brought into British Columbia from outside Canada]* of the Act if

(a) the tangible personal property is brought or sent into British Columbia, or delivery of the tangible personal property is received in British Columbia, by an individual for use solely for a non-business purpose,

(b) the tangible personal property enters British Columbia within one year of the individual becoming a resident of British Columbia, and

(c) the tangible personal property is owned and has been owned by the individual for a continuous period of at least 30 days before the individual becomes a resident of British Columbia.

(1.1) Tangible personal property is exempt from tax imposed under sections 49, 50 and 55 of the Act if

(a) the tangible personal property is brought or sent into British Columbia, or delivery of the tangible personal property is received in British Columbia, by an individual for use solely for a non-business purpose,

(b) the individual became a resident of British Columbia on or after March 11, 2019,

(c) the tangible personal property enters British Columbia on or before the earlier of

(i) January 1, 2023, and

(ii) the date that is one year after the date that the last order made under section 58 of the *Quarantine Act* (Canada) in relation to COVID-19 ceases to have effect, and

(d) the tangible personal property is owned and has been owned by the individual for a continuous period of at least 30 days before the individual becomes a resident of British Columbia.

(2) Tangible personal property that qualified for an exemption under subsection (1) or (1.1) on the entry date of the tangible personal property and that is subsequently used for a business purpose is exempt from tax imposed under section 82 *[tax if property used for new purpose]* of the Act if

(a) the use of the tangible personal property for a business purpose does not begin within the first 6 months after the entry date of the tangible personal property,

(b) the tangible personal property

(i) is not a vehicle, a boat or an aircraft, and

(ii) was owned by the individual referred to in subsection (1) or (1.1) for more than 3 years before the individual became a resident of British Columbia, and

(c) the individual referred to in subsection (1) or (1.1)

(i) previously paid tax under the Act or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(ii) previously paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax, or

(iii) previously paid sales tax in respect of the tangible personal property to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax.

[am. B.C. Regs. 117/2014, Sch. 5; 260/2021.]

Vehicle, boat or aircraft brought into British Columbia for gift

23 (1) Subject to subsections (2) and (3), a person who is a BC resident is exempt from tax imposed under section 49 *[tangible personal property brought into British Columbia for use]* of the Act in respect of a vehicle, a boat or an aircraft if the person brings or sends into British Columbia, or receives delivery of in British Columbia, the vehicle, boat or aircraft solely for the purpose of giving that vehicle, boat or aircraft to another person as a gift.

(2) The exemption under subsection (1) applies to a person in respect of a vehicle, a boat or an aircraft only if the person

(a) previously paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(b) previously paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(c) previously paid sales tax in respect of the vehicle, boat or aircraft to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax,

(d) received, before April 1, 2013, the vehicle, boat or aircraft as a gift in British Columbia, or

(e) was exempt, when that person obtained the vehicle, boat or aircraft, from tax

(i) under the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act*, or

(ii) under the Act, other than under any of the following provisions of this regulation:

(A) section 24 *[vehicle purchased for use outside British Columbia]*;

(B) section 25 *[aircraft purchased for use outside British Columbia]*;

(C) section 26 *[tangible personal property shipped outside of British Columbia]*.

(3) The exemption under subsection (1) does not apply to a person in respect of a vehicle, a boat or an aircraft if

(a) the person previously paid tax in respect of the vehicle, boat or aircraft only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax that, but for subsection (1) of this section, would be payable by the person under section 49 of the Act in respect of the vehicle, boat or aircraft.

Vehicle purchased for use outside British Columbia

24 (1) In this section, **"qualifying vehicle"** means a vehicle that is registrable under the vehicle registration legislation, but does not include a multijurisdictional vehicle or a trailer that is used with a multijurisdictional vehicle.

(2) A qualifying vehicle is exempt from tax imposed under section 37 *[tax on purchase of tangible personal property]* of the Act if the qualifying vehicle

(a) is purchased by

(i) a person other than an individual, or

(ii) an individual who does not reside or ordinarily reside in British Columbia,

(b) is purchased for use primarily outside British Columbia,

(c) is not purchased for use in British Columbia, other than for a non-business purpose, and

(d) will not be registered under the vehicle registration legislation.

(3) Subsection (2) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(4) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that a qualifying vehicle is exempt under subsection (2) of this section, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Aircraft purchased for use outside British Columbia

25 (1) An aircraft is exempt from tax imposed under section 37 *[tax on purchase of tangible personal property]* of the Act if the aircraft

(a) is purchased by

(i) a person other than an individual, or

(ii) an individual who does not reside or ordinarily reside in British Columbia,

(b) is purchased for use primarily outside British Columbia, and

(c) is not purchased for use in British Columbia, other than for a non-business purpose.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(3) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that an aircraft is exempt under subsection (1) of this section, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Tangible personal property shipped outside British Columbia

26 (1) A purchaser who purchases tangible personal property at a sale in British Columbia is exempt from tax imposed under Part 3 of the Act if

(a) the tangible personal property is to be shipped by the seller for delivery outside British Columbia, and

(b) no use is to be made of the tangible personal property by the purchaser while the tangible personal property is in British Columbia other than storage of the tangible personal property with the seller.

(1.1) A purchaser who purchases tangible personal property at a sale in British Columbia is exempt from tax imposed under Part 3 of the Act if

(a) the purchaser purchased the tangible personal property for a business use,

(b) the tangible personal property is to be shipped by the purchaser for delivery outside British Columbia, and

(c) no use is to be made of the tangible personal property while the tangible personal property is in British Columbia other than storage of the tangible personal property.

(2) Subsections (1) and (1.1) of this section are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(3) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a purchaser who alleges that the tangible personal property is exempt under subsection (1.1) of this section, the collector is required to obtain a declaration, in a form specified by the director, that the tangible personal property is for a business use.

[am. B.C. Reg. 112/2026.]

Division 7 – Fuel, Energy and Energy Conservation

Fuel for use as source of energy

27 (1) The following are exempt from tax imposed under Part 3 of the Act:

(a) pelletized fuel, as defined in the Solid Fuel Burning Domestic Appliance Regulation;

(b) manufactured firelogs;

(c) barbecue briquettes.

(2) Wood and charcoal are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained for use as a source of energy.

[am. B.C. Reg. 218/2016, s. (d).]

Residential energy products

28 A residential energy product is exempt from tax imposed under Part 3 of the Act, other than Divisions 9 and 11 of that Part, if

(a) the residential energy product is obtained solely for residential use in a residential dwelling,

(b) the seller of the residential energy product delivers or provides the residential energy product to

(i) a residential dwelling,

(ii) a building that contains a residential dwelling, or

(iii) a storage tank or facility located at and connected to a residential dwelling, and

(c) in the case of a delivery or provision of a residential energy product to a residential dwelling that is part of a multi-use building, the seller delivers or provides the residential energy product to a storage tank or facility, or through a meter, that services only the part of the building that is used only for residential use.

Electricity for residential and farm use

29 (1) Electricity is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the electricity is obtained by a qualifying farmer for use only for

(i) residential use in a residential dwelling, and

(ii) a farm purpose, and

(b) the seller of the electricity provides the electricity for both purposes described in paragraph (a) through the same meter.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(3) For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that electricity is exempt under subsection (1) of this section, the collector is required to obtain

(a) the name, address, card number and expiry date as recorded on a BC Farmer Identity Card issued to that person by the BC Agriculture Council, or

(b) a declaration in a form acceptable to the director.

Continuous supply of tangible personal property as part of use of real property or moorage facilities

29.1 Tangible personal property is exempt from tax imposed under Part 3 of the Act if

(a) the tangible personal property is purchased from a seller under a contract that has as its fundamental and overriding objective the right to use real property or moorage facilities and not the purchase of the tangible personal property,

(b) the seller delivers the tangible personal property or makes the tangible personal property available to the purchaser on a continuous basis by means of a wire, pipeline or other conduit,

(c) the seller does not deliver or provide the tangible personal property to the purchaser through a separate meter, and

(d) the seller of the tangible personal property obtained the tangible personal property from another person for a purpose other than for the sole purpose of resale.

[en. B.C. Reg. 153/2013, s. 1.]

Energy conservation

30 The following tangible personal property is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property is obtained for use to conserve energy:

(a) thermal insulation material that is

(i) a batt, a blanket, a roll, a panel, loose fill or cellular plastic material, and

(ii) designed primarily to prevent heat loss from a building,

but not including vapour barrier or any other material incorporated into or attached to a building and serving a structural or decorative function;

(b) polystyrene forming blocks designed

(i) for use initially as a form for concrete, and

(ii) to remain permanently attached to the concrete to serve as the primary insulation for the completed building to prevent heat loss from the building;

(c) fastening components specifically designed for use with polystyrene forming blocks described in paragraph (b);

(d) chemicals obtained for use to make spray polyurethane foam insulation designed primarily to prevent heat loss from a building;

(e) window insulating systems, consisting of a transparent or translucent film and including frames or integral parts of the systems, installed in an existing window and designed primarily to retain heat in a building by absorbing solar heat or reducing drafts;

(f) weather stripping and caulking materials designed to prevent heat loss from a building;

(g) insulation, other than tapes and sealants, designed to prevent the transfer of heat to or from hot water tanks, hot or cold water pipes or ductwork;

(h) wind-powered generating equipment specifically designed to produce mechanical or electrical energy;

(i) generators, controllers, wiring and devices that convert direct current into alternating current, if they are obtained together with and as part of wind-powered generating equipment described in paragraph (h);

(j) solar photovoltaic collector panels;

(k) controllers, wiring and devices that convert direct current into alternating current, if they are obtained together with and as part of a system that includes solar photovoltaic collector panels;

(l) solar thermal collector panels;

(m) wiring, pumps, tubing and heat exchangers, if they are obtained together with and as part of a system that includes solar thermal collector panels;

(n) micro-hydro turbines and generators designed to produce up to 150 kW of mechanical or electrical energy;

(o) controllers, wiring, tubing and devices that convert direct current into alternating current, if they are obtained together with and as part of a system that includes micro-hydro turbines or generators described in paragraph (n);

(p) equipment specifically designed to produce mechanical or electrical energy from ocean tides, currents or waves;

(q) the following, if obtained together with and as part of a system that includes equipment described in paragraph (p):

(i) generators, wiring, controllers, monitors, pumps, tubing, floats, water fences and devices that convert direct current into alternating current;

(ii) aids to navigation as defined in section 125 of the *Canada Shipping Act, 2001*;

(r) natural gas and propane conversion kits for internal combustion engines;

(s) kits to convert motor vehicles to operate solely on electricity;

(t) the following, if designed to reduce wind-resistance and improve fuel efficiency:

(i) tractor-trailer gap fairings;

(ii) trailer side skirts;

(iii) aerodynamic bumpers;

(iv) tank skirts;

(v) tractor roof fairings;

(vi) base flaps;

(vii) boat tails.

Heat pumps

30.1 Heat pumps are exempt from tax imposed under Part 3 of the Act.

[en. B.C. Reg. 206/2022, s. 2.]

Tangible personal property for use for hydroelectric power generation

31 (1) Tangible personal property described in Schedule 1 *[Tangible Personal Property for Hydroelectric Power Generation]* is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property is

(a) manufactured machinery, equipment or apparatus,

(b) obtained for use

(i) as penstock intake or diversion equipment, at the point of diversion from the water source, or

(ii) as penstock pipe, to provide water from the point of diversion from the water source to a hydroelectric power plant, and

(c) part of a penstock system for a hydroelectric power plant that is validly licensed under the *Water Sustainability Act*.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(3) For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under subsection (1) of this section, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[am. B.C. Regs. 41/2016, s. 25; 137/2024, App. 3, s. 1.]

Division 8 – Safety Equipment and Apparel

Work-related safety equipment

32 (1) The following work-related safety equipment designed to be worn by a worker is exempt from tax imposed under Part 3 of the Act:

(a) safety glasses, safety goggles, face shields and welding helmets;

(b) respirators that offer protection from dust, toxic gases and vapours, including protection canisters;

(c) gas masks, including protection canisters;

(d) hearing protectors, including ear down, ear plugs and ear muffs;

(e) safety caps, hard hats and helmets, but not including optional weather liners, skull caps, hairnets or sweatbands;

(f) gloves with built-in safety features such as reinforced thumbs, palms or cuffs, designed to protect the wearer from physical harm, including traffic safety gloves to enhance visibility, but not including dress gloves, general purpose gloves and gloves designed primarily to protect the wearer from natural elements;

(g) footwear with built-in safety features such as safety toes, loggers' caulks or acid resistance, but not including footwear designed solely for protection against the weather;

(h) metatarsal protectors, puncture-resistant insoles, toe clips, shin guards, foot guards, skid-masters and ice cleats;

(i) personal intercom systems designed to allow safe, hands-free communication while working in confined or hazardous environments.

(2) An air hose designed to connect a respirator described in subsection (1) (b) to an air source, if the air hose is obtained together with the respirator, is exempt from tax imposed under Part 3 of the Act.

Equipment and apparel for specific purpose

33 (1) Subject to subsection (2), work-related safety equipment and apparel designed to be worn by or attached to a worker is exempt from tax imposed under Part 3 of the Act, if the work-related safety equipment or apparel is obtained by

(a) an employer for use by the employer's employees in the course of their employment,

(b) a person who is self-employed for the person's own use in the course of self-employment, or

(c) an educational institution for the use of students who are enrolled in educational programs provided by that institution.

(2) The exemption under subsection (1) applies to work-related safety equipment or apparel obtained by

(a) an employer referred to in subsection (1) (a), if the work-related safety equipment or apparel is obtained for the purpose of complying with

(i) the Occupational Health and Safety Regulation, B.C. Reg. 296/97, or

(ii) the Health, Safety and Reclamation Code for Mines in British Columbia established under the *Mines Act*, or

(b) a person referred to in subsection (1) (b) or an educational institution referred to in subsection (1) (c), if the person or institution would have been required to obtain the work-related safety equipment or apparel for the purpose referred to in paragraph (a) of this subsection had the person or institution been an employer.

(3) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(4) For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under subsection (1) of this section, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Marine safety equipment

34 (1) The following are exempt from tax imposed under Part 3 of the Act:

(a) floater coats;

(b) inflatable life rafts that meet the requirements of the Life Saving Equipment Regulations under the *Canada Shipping Act, 2001* for inflatable life rafts, and repair kits for those rafts;

(c) life jackets;

(d) life-saving buoys and flags;

(e) life-saving cushions;

(f) life-saving throw rings;

(g) marine survival suits.

(2) Distress flares are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained for use on a boat to draw attention to the boat when the boat is in distress.

Safety equipment and apparel

35 (1) The following are exempt from tax imposed under Part 3 of the Act:

(a) bicycle lights and reflectors;

(b) children's restraint car seats;

(c) children's booster car seats;

(d) first aid kits;

(e) safety helmets designed for use in sport, recreation or transportation;

(f) safety vests and safety bibs, the sole purpose of which is to enhance the visibility of the wearer;

(g) emergency locator transmitters;

(h) portable fire extinguishers and refills for portable fire extinguishers;

(i) self-contained smoke or fire alarm devices designed for use in residential dwellings and sold for a purchase price per unit of less than $250;

(j) gas detection monitors that monitor for gas on a continuous basis;

(k) emergency gas shut-off devices

(i) designed for manually shutting off the gas supply of a building, or

(ii) attached to a gas line and designed to automatically shut off the gas supply to a building in response to significant movement;

(l) the following avalanche safety and rescue equipment:

(i) avalanche airbag backpack systems specifically designed to carry airbags that, when triggered, inflate instantly to help keep the wearer above the snow surface during an avalanche;

(ii) avalanche beacons and probes to help locate avalanche victims;

(iii) equipment specifically designed to reduce the likelihood of asphyxiation from the formation of an ice mask on a person who is buried under snow by providing an artificial air pocket through which air is taken from the surrounding snowpack;

(m) personal alert safety systems designed

(i) to be worn by persons working in hazardous or potentially hazardous conditions, and

(ii) to alert

(A) the wearer to unsafe conditions, or

(B) rescuers to the location of the wearer;

(n) automated external defibrillators, kits containing an automated external defibrillator and pads designed for use with automated external defibrillators.

(2) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part:

(a) the following emergency equipment if obtained for use on highways:

(i) distress flares;

(ii) fluorescent tape;

(iii) reflective strips for barriers;

(iv) reflectors;

(v) triangle emblems;

(b) oxygen, oxygen containers or oxygen dispensing apparatus, obtained for medical or emergency use;

(c) air compressors obtained for use to fill oxygen containers or oxygen dispensing apparatus, if the container or apparatus is for emergency use by a firefighter;

(d) transmitters designed for use solely to communicate the existence of a medically related emergency, if the transmitter is obtained by an individual for use

(i) at the individual's residence, or

(ii) by another individual at the other individual's residence.

[am. B.C. Regs. 54/2018; 165/2023.]

Division 9 – Industrial and Commercial Items

Mining supplies

36 (1) In this section, **"explosive supplies"** means blasting agents, blasting supplies and blasting accessories, including blasting caps, boosters, plastic cap holders, electric starters, squibs, shunt connectors, safety fuse assemblies, igniter cord connectors, hot wire lighters, detonator cord connectors and closing tubes.

(2) Explosive supplies are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained for use in

(a) mineral exploration, extraction or processing, or

(b) the development of a mine other than construction of an access road to a mine.

(3) Balls, rods and similar detached media obtained for use in the grinding of ore in the process of extracting minerals from ore are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part.

Boomsticks and used boom gear

37 (1) Boomsticks are exempt from tax imposed under Part 3 of the Act.

(2) The following boom gear is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the boom gear was previously sold at a retail sale and previously used as boom gear:

(a) boom chains obtained for use in tying boomsticks together to form a frame;

(b) bundle and continuous wires obtained for use in securing logs that are transported within a frame;

(c) swifter wires obtained for use in securing bundled logs to a frame.

Chemical substances, catalysts and direct agents

38 (1) In this section:

"catalyst" means a substance that produces or modifies a chemical reaction and that, at the end of the reaction, is unchanged;

"direct agent" means a substance that produces or modifies a chemical reaction and that is consumed in the chemical reaction to the point of destruction or dissipation or uselessness for any other purpose.

(2) Subject to subsection (3), a chemical substance, catalyst or direct agent obtained for use

(a) in processing or manufacturing tangible personal property for sale or lease, and

(b) to produce or modify a reaction that is essential for that processing or manufacturing

is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part.

(3) The exemption under subsection (2) does not apply to a chemical substance, catalyst or direct agent obtained

(a) for use to produce energy or as a source of energy, unless the chemical substance, catalyst or direct agent is electricity for use in an electrolytic process,

(b) for use in processing tangible personal property, unless the processing consists of, is one step in or occurs immediately after a series of operations or a complex operation that results in a substantial change in the form or other physical or chemical characteristics of the tangible personal property,

(c) for use to transform tangible personal property from a gaseous, liquid or solid state to another one of those states by means of the application of pressure or a change in temperature, unless the transformation is one step in, or occurs immediately after, an operation referred to in paragraph (b) of this subsection,

(d) for use for the primary purpose of maintaining, lubricating or prolonging the life of machinery or equipment,

(e) to be added to waste removed from the production process,

(f) to be added to a tailings pond or settling pond,

(g) for use for testing purposes, or

(h) for use for the purpose of cleaning or sanitizing, unless the chemical substance, catalyst or direct agent is for use for the primary purpose of cleaning or sanitizing the tangible personal property referred to in subsection (2) (a).

(4) The definition of "substantially" in section 1 *[definitions]* of the Act does not apply in subsection (3) (b) of this section.

(5) Exothermic sleeves obtained for use in the casting of metal or metal alloys are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part.

(6) Subsections (2) and (5) of this section are prescribed for the purposes of the following provisions of the Act:

(a) section 89 (2) *[tax on acquisition of eligible tangible personal property]*;

(b) section 90 (4) *[tax on eligible tangible personal property brought into British Columbia]*;

(c) section 99 (6) *[tax on acquisition of exclusive product by independent sales contractor]*.

[am. B.C. Reg. 76/2016, Sch. 2, s. 2.]

Abrasives, dies, jigs, patterns and moulds

39 (1) In this section, subject to subsection (2):

"die" means a solid or hollow form used for shaping or marking goods in process by cutting, stamping, pressing or extruding, but does not include

(a) planers, saws, knives or blades, or

(b) a die set or tap set used for cutting threads;

"grinding wheel" means a disc or wheel

(a) the thickness of which does not exceed its diameter, and

(b) that removes material by grinding,

but does not include

(c) a disc or wheel that removes material by cutting, or

(d) a refiner plate or disc used for manufacturing pulp;

"jig" means a device used in the accurate machining of goods in process to hold the goods firmly and guide the working tools, or to bend the goods in process;

"mould" means a hollow form

(a) into which materials are placed to produce desired shapes, matrices or cavities, and

(b) used to shape or form goods in process.

(2) For the purposes of the definitions in subsection (1), a die, grinding wheel, jig or mould does not include any of the following:

(a) components or materials used to manufacture or produce the die, grinding wheel, jig or mould;

(b) any machinery, equipment or apparatus

(i) to which the die, grinding wheel, jig or mould may be attached, or

(ii) that is necessary to carry out the function or process of the die, grinding wheel, jig or mould.

(3) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by a person for use in the manufacture, production, service or repair of tangible personal property or real property:

(a) abrasive paper, emery paper or other fabric-backed abrasives suitable for use by hand or for use with hand-held tools;

(b) dies;

(c) grinding wheels;

(d) jigs;

(e) moulds, other than moulds designed for use in food production;

(f) patterns;

(g) polishing wheels;

(h) rotary steel brushes;

(i) sand for use in sand blasting;

(j) steel, plastic and glass shot and similar material for use in blasting clean a surface;

(k) steel wool.

(4) Moulds designed for use in food production are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by a person for use in the manufacture or production of food in the course of the person's business.

(5) Repealed. [B.C. Reg. 117/2014, Sch. 4, s. 2.]

[am. B.C. Reg. 117/2014, Sch. 4, s. 2.]

Photographers and printers

40 (1) Film, photographic paper and chemicals obtained for use in developing film are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the film, photographic paper or chemicals are obtained

(a) by a person who is

(i) a commercial photographer, or

(ii) in the business of photograph processing or finishing, and

(b) for use in the course of the person's business.

(2) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by printers or publishers for their own use in a printing or publishing process:

(a) artwork;

(b) blankets and screens used in the printing process to transfer ink to the product being printed, but not including frames;

(c) cuts;

(d) engravings;

(e) film;

(f) flats;

(g) negatives;

(h) paste ups;

(i) photoconductor drums;

(j) photographs;

(k) plates;

(l) signatures;

(m) slides;

(n) transparencies;

(o) typesetting products.

(3) Materials obtained by printers or publishers for their own use in the manufacture or production of any of the items described in subsection (2) for their own use in a printing or publishing process are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part.

(4) Subsections (1), (2) and (3) of this section are prescribed for the purposes of the following provisions of the Act:

(a) section 89 (2) *[tax on acquisition of eligible tangible personal property]*;

(b) section 90 (4) *[tax on eligible tangible personal property brought into British Columbia]*;

(c) section 99 (6) *[tax on acquisition of exclusive product by independent sales contractor]*.

Prototypes

41 (1) For the purposes of section 141 (1) (d) *[exemptions in relation to software for prototypes]* of the Act, Part 3 software that is not specifically designed for a prototype referred to in that provision is prescribed tangible personal property.

(2) For the purposes of section 141 (1) (d) and (e) of the Act, making a copy of a prototype solely for the purpose of testing the prototype as part of the research and development activities referred to in the applicable provision is a prescribed purpose.

Ships' stores

42 (1) Subject to subsection (2), ships' stores are exempt from tax imposed under Part 3 of the Act if delivered to commercial vessels of more than 500 tons gross that normally operate in extraterritorial waters.

(2) The exemption under subsection (1) does not apply to the following:

(a) liquor, other than an alcohol-containing food product;

(b) tobacco.

[en. B.C. Reg. 76/2016, Sch. 2, s. 3; am. B.C. Reg. 210/2022, Sch., s. 1.]

Bottles for milk products

43 Bottles are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the bottles are

(a) obtained for use to hold a milk product that is sold at a retail sale, and

(b) returnable and reusable.

Division 10 – Farming, Fertilizers, Fishing and Aquaculture

Animals and plants

44 The following are exempt from tax imposed under Part 3 of the Act:

(a) living animals of a kind the products of which ordinarily constitute food for human consumption;

(b) living plants and trees of a kind the products of which ordinarily constitute food for human consumption.

Feed

45 (0.1) In this section, **"animal"** means an animal

(a) that is to be sold in the regular course of business, or

(b) of a kind the products of which ordinarily constitute food for human consumption.

(1) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part:

(a) feed obtained for use to feed an animal;

(b) subject to subsection (2), grain, mill and other agricultural feeds and seeds obtained for use solely for an agricultural purpose;

(c) vitamins and dietary supplements or adjuncts, in a form designed to be ingested orally, if the vitamins, supplements or adjuncts are obtained for consumption by an animal;

(d) subject to subsection (3), drugs and medicines, including those in the form of salves, ointments, nasal sprays, inhalants, antiseptics, liniments, powders, germicides, laxatives, cough syrups and cold and flu remedies, that are

(i) advertised or marketed as products for the treatment, mitigation or prevention of a disease or disorder in animals, and

(ii) obtained for use to treat an animal.

(2) The exemption under subsection (1) (b) does not apply to grain, mill and other agricultural feeds and seeds that are obtained for use to feed

(a) a bird of a kind the products of which do not ordinarily constitute food for human consumption, or

(b) a household pet.

(3) The exemption under subsection (1) (d) does not apply to the following:

(a) sunscreen;

(b) oral hygiene products;

(c) toiletries, shaving products, depilatories and fragrances;

(d) soaps and moisturizers, unless the soap or moisturizer is medicated and is advertised or marketed as a product for the treatment, mitigation or prevention of a particular skin condition;

(e) hair or fur products, unless the product is medicated and is advertised or marketed as a product for the treatment, mitigation or prevention of fleas, ticks or lice;

(f) grooming products and cosmetics.

[am. B.C. Reg. 117/2014, Sch. 4, s. 3.]

Farmers

46 (1) In this section, **"qualifying part"** means a part that is designed for use

(a) as a replacement part for tangible personal property described in Schedule 2 *[Tangible Personal Property for Farm Purpose]*, or

(b) in the manufacture or repair of tangible personal property described in Schedule 2,

but does not include a part that is suitable for use for any of the purposes referred to in paragraph (a) or (b) by reason only of the general nature of the part's design and manufacture.

(2) Tangible personal property described in Schedule 2 is exempt from tax imposed under Part 3 of the Act, other than Divisions 9 and 11 of that Part, if the tangible personal property is obtained by a qualifying farmer for use solely for a farm purpose.

(3) A qualifying part is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the qualifying part is obtained by a qualifying farmer for use

(i) as a replacement part for tangible personal property described in Schedule 2, or

(ii) in the manufacture or repair of tangible personal property described in Schedule 2, and

(b) the tangible personal property referred to in paragraph (a) (i) or (ii) is to be used by a qualifying farmer solely for a farm purpose.

(4) Subsections (2) and (3) of this section are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(5) For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under subsection (2) or (3) of this section, the collector is required to obtain

(a) the name, address, card number and expiry date as recorded on a BC Farmer Identity Card issued to that person by the BC Agriculture Council, or

(b) a declaration in a form specified by the director.

(6) For the purposes of section 30 (7) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under subsection (2) of this section, the Insurance Corporation of British Columbia is required to obtain

(a) the name, address, card number and expiry date as recorded on a BC Farmer Identity Card issued to that person by the BC Agriculture Council, or

(b) a declaration in a form acceptable to the director.

[am. B.C. Regs. 216/2013, App. 1, s. 6; 137/2024, App. 3, s. 1.]

Fertilizer and other materials

47 (1) In this section, **"fertilizer"** means a substance or mixture of substances that contains nitrogen, phosphorus, potassium or other plant nutrients and is substantially advertised or marketed as a plant food, but does not include substances or mixtures of substances that

(a) contain 50 percent or more by volume of sand, gravel, topsoil, fill, weed control chemicals, fungicides or a substance that is not a plant nutrient, or any combination of them, or

(b) are registered under the *Pest Control Products Act* (Canada).

(2) The following tangible personal property is exempt from tax imposed under Part 3 of the Act if the tangible personal property is obtained by an individual:

(a) agricultural lime;

(b) fertilizer;

(c) organic mulch;

(d) organic substances if the substances are advertised or marketed as compost aids or compost accelerators;

(e) peat, other than peat pellets and compostable pots made from peat;

(f) plant hormones, microorganisms and enzymes, or a mixture of plant hormones, microorganisms or enzymes, if advertised or marketed as a plant regulator;

(g) sphagnum;

(h) wood ash or charcoal if the wood ash or charcoal is advertised or marketed as a soil amendment.

(3) The following tangible personal property is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property is obtained by a person, other than an individual, for an agricultural purpose:

(a) agricultural lime;

(b) fertilizer;

(c) organic mulch;

(d) organic substances if the substances are advertised or marketed as compost aids or compost accelerators;

(e) peat, other than peat pellets and compostable pots made from peat;

(f) plant hormones, microorganisms and enzymes, or a mixture of plant hormones, microbes or enzymes, if advertised or marketed as a plant regulator;

(g) sphagnum;

(h) wood ash or charcoal if the wood ash or charcoal is advertised or marketed as a soil amendment.

(4) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained for use in landscaping or as bedding for animals:

(a) sawdust;

(b) straw;

(c) wood chips;

(d) wood shavings.

(5) The following tangible personal property is exempt from tax imposed under Part 3 of the Act if the tangible personal property is advertised or marketed as a growing medium for plants and is obtained by an individual:

(a) compostable basket liners and growing mats made only from organic materials;

(b) compostable pots made only from organic materials;

(c) diatomaceous earth;

(d) humus;

(e) orchid bark;

(f) peat pellets;

(g) perlite;

(h) potting soil and soilless potting mix unless the soil or mix

(i) contains 50 percent or more by volume of sand, gravel, topsoil, fill, weed control chemicals, fungicides or any combination of them, or

(ii) is registered under the *Pest Control Products Act* (Canada);

(i) vermiculite.

(6) The following tangible personal property is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property is advertised or marketed as a growing medium for plants and is obtained by a person, other than an individual, for an agricultural purpose:

(a) compostable basket liners and growing mats made only from organic materials;

(b) compostable pots made only from organic materials;

(c) diatomaceous earth;

(d) humus;

(e) orchid bark;

(f) peat pellets;

(g) perlite;

(h) potting soil and soilless potting mix unless the soil or mix

(i) contains 50 percent or more by volume of sand, gravel, topsoil, fill, weed control chemicals, fungicides or any combination of them, or

(ii) is registered under the *Pest Control Products Act* (Canada);

(i) vermiculite.

[am. B.C. Reg. 216/2013, App. 1, s. 7.]

Commercial fishers

48 (1) In this section, **"qualifying part"** means a part that is designed for use in the repair or reconditioning of a boat, fishing net or fishing equipment, but does not

include a part that is suitable for use for either of those purposes by reason only of the general nature of the part's design and manufacture.

(2) Boats, fishing nets and fishing equipment are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the boat, fishing net or fishing equipment is obtained by a qualifying commercial fisher for use solely for a commercial fishing purpose.

(3) A qualifying part is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the qualifying part is obtained by a qualifying commercial fisher for use in the repair or reconditioning of a boat, fishing net or fishing equipment, and

(b) the boat, fishing net or fishing equipment referred to in paragraph (a) is to be used by a qualifying commercial fisher solely for a commercial fishing purpose.

(4) Subsections (2) and (3) of this section are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(5) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under subsection (2) or (3) of this section, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Aquaculturists

49 (1) In this section, **"qualifying part"** means a part that is designed for use

(a) as a replacement part for tangible personal property described in Schedule 4 *[Tangible Personal Property for Aquaculture Purpose]*, or

(b) in the repair of tangible personal property described in Schedule 4,

but does not include a part that is suitable for use for either of the purposes referred to in paragraph (a) or (b) by reason only of the general nature of the part's design and manufacture.

(2) Tangible personal property described in Schedule 4 is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property is obtained by a qualifying aquaculturist for use solely for an aquaculture purpose.

(3) A qualifying part is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the qualifying part is obtained by a qualifying aquaculturist for use

(i) as a replacement part for tangible personal property described in Schedule 4, or

(ii) in the repair of tangible personal property described in Schedule 4, and

(b) the tangible personal property referred to in paragraph (a) (i) or (ii) is to be used by a qualifying aquaculturist solely for an aquaculture purpose.

(4) Subsections (2) and (3) of this section are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(5) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under subsection (2) or (3) of this section, the collector is required to obtain a declaration in a form specified by the director.

(6) For the purposes of section 30 (7) (a) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under subsection (2) of this section, the Insurance Corporation of British Columbia is required to obtain a declaration in a form acceptable to the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Division 11 – Other Exemptions in Relation to Tangible Personal Property

Transfer due to dissolution of marriage or relationship

50 An individual is exempt from tax imposed under Part 3 of the Act in respect of tangible personal property transferred to the individual from a spouse or former spouse of the individual under

(a) an agreement dividing property under Part 5 *[Property Division]* or 6 *[Pension Division]* of the *Family Law Act*,

(b) a written separation agreement, or a marriage agreement, referred to in the *Family Relations Act*, or

(c) an order of a court on the dissolution of a marriage or marriage-like relationship.

Poppies, wreaths and natural, cut Christmas trees

51 The following are exempt from tax imposed under Part 3 of the Act:

(a) Remembrance Day poppies and wreaths;

(b) natural, cut evergreen trees sold as Christmas trees.

Exemptions in relation to food – liquor and food products containing cannabis not exempt

52 (1) In this section, **"cannabis"** has the same meaning as in the *Cannabis Control and Licensing Act* but does not include

(a) industrial hemp within the meaning of the Industrial Hemp Regulations (Canada), or

(b) a product that is exempt from the application of the *Cannabis Act* (Canada) under section 2 (2) of the Industrial Hemp Regulations (Canada).

(2) For the purposes of section 139 (a) *[exclusions from exemptions in relation to food]* of the Act, the following are prescribed as food products excluded from the exemption under that section:

(a) food products containing cannabis;

(b) liquor, other than an alcohol-containing food product.

[en. B.C. Reg. 212/2018, s. 2.]

Dry ice

53 Dry ice is exempt from tax imposed under Part 3 of the Act.

Gold, silver or platinum

54 Gold, silver or platinum in the form of bullion or coin is exempt from tax imposed under Part 3 of the Act unless the bullion or coin is obtained for a purchase price greater than the market value of its gold, silver or platinum content.

Exemptions in relation to transportation

55 (1) Repealed. [B.C. Reg. 207/2022, Sch. 3, s. 1 (a), as am. by B.C. Reg. 56/2025, s. (a).]

(1.1) The following are exempt from tax imposed under Part 3 of the Act:

(a) non-motorized bicycles;

(b) non-motorized tricycles, each wheel of which has a diameter of 350 mm or more;

(b.1) electric bicycles and tricycles that

(i) have pedals or hand cranks that allow for the cycle to be propelled by human power,

(ii) have wheels that have a diameter of 350 mm or more,

(iii) have one or more electric motors that

(A) have continuous power output ratings that in total do not exceed 500 watts, and

(B) are not capable of propelling the cycle at a speed greater than 32 km/hr on level ground,

(iv) do not have a combustion engine, and

(v) are not marketed as, or designed to have the appearance of, an electric motorcycle, an electric moped, an electric scooter or another similar device;

(b.2) kits for converting a device described in paragraph (a) or (b) into a device described in paragraph (b.1);

(c) aircraft powered by a turbine, and parts for those aircraft;

(c.1) aircraft that are not remotely piloted and that are powered solely by electricity, and parts for those aircraft;

(d) self-propelled vessels of more than 500 tons gross.

(e) Repealed. [B.C. Reg. 207/2022, Sch. 3, s. 1 (b), as am. by B.C. Reg. 56/2025, s. (a).]

(2) The following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part:

(a) tangible personal property, other than an aircraft or a part for an aircraft, obtained by a person operating a commercial airline for use during the airline's interprovincial or international flights by

(i) the airline's passengers, or

(ii) the airline in serving its passengers;

(b) trailers obtained for use solely with multijurisdictional vehicles;

(c) parts obtained for use in

(i) a multijurisdictional vehicle, or

(ii) a trailer referred to in paragraph (b).

(3) Subsection (2) (b) and (c) of this section is prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(4) Repealed. [B.C. Reg. 207/2022, Sch. 3, s. 1 (c), as am. by B.C. Reg. 56/2025, s. (a).]

[am. B.C. Regs. 243/2020, s. (a); 261/2021; 207/2022, Sch. 1, s. 1 and Sch. 3, s. 1, as am. by B.C. Reg. 56/2025, s. (a).]

Tangible personal property subject to security instrument

56 (1) In this section, **"sale"** means a sale referred to in paragraph (g) of the definition of "sale" in section 1 *[definitions]* of the Act.

(2) Tangible personal property repurchased at a sale is exempt from tax imposed under Part 3 of the Act if

(a) the purchaser takes possession of the tangible personal property under a security instrument, and

(b) tax was paid by the purchaser in respect of the previous purchase of the tangible personal property

(i) under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* and the purchaser has not obtained and is not entitled to obtain, under those Acts, a refund of that tax, or

(ii) under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and the purchaser has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax.

Parts

57 (1) Subject to subsections (2) and (3), a part designed and obtained for use to repair or recondition tangible personal property is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property would be exempt from tax imposed under the Act if the tangible personal property were obtained on the date on which the part is obtained.

(2) The exemption under subsection (1) does not apply to a part obtained for use to repair or recondition tangible personal property that would be exempt from tax under any of the following provisions of the Act:

(a) section 44 (1) *[lease under sale and lease-back arrangement]*;

(b) section 50 (4) *[exemption from tax on registration of travel trailer brought into British Columbia]*;

(c) section 52 (5) *[exemption from tax respecting boat or travel trailer brought into British Columbia by non-residents]*.

(3) The exemption under subsection (1) does not apply to a part obtained for use to repair or recondition tangible personal property that would be exempt from tax under any of the following provisions of this regulation:

(a) section 3 (1) (j) *[clip-on sunglasses]*;

(a.1) section 17.1 *[gifts]*;

(b) section 18 *[gifts between family members]*;

(c) section 19 *[registered charities]*;

(d) section 20 *[prizes, draws and awards]*;

(e) section 21 *[inheritance of tangible personal property]*;

(f) section 22 *[new resident's effects – tangible personal property]*;

(g) section 23 *[vehicle, boat or aircraft brought into British Columbia for gift]*;

(h) section 24 *[vehicle purchased for use outside British Columbia]*;

(i) section 25 *[aircraft purchased for use outside British Columbia]*;

(j) section 26 *[tangible personal property shipped outside British Columbia]*;

(j.1) section 30.1 *[heat pumps]*;

(k) section 32 (2) *[air hoses designed to connect to respirators]*;

(l) section 46 (2) *[farmers]*;

(m) section 48 (2) *[commercial fishers]*;

(n) section 49 (2) *[aquaculturists]*;

(o) section 50 *[transfer due to dissolution of marriage or relationship]*;

(o.1) Repealed. [B.C. Reg. 207/2022, Sch. 3, s. 2, as am. by B.C. Reg. 56/2025, s. (a).]

(p) section 56 *[tangible personal property subject to security instrument]*;

(p.1) section 60.2 *[purchases at duty free shop]*;

(q) Part 5 *[Production Machinery and Equipment]*;

(r) Part 9 *[Related Party Asset Transfers]*.

[am. B.C. Regs. 216/2013, App. 1, s. 8; 206/2022, s. 3; 207/2022, Sch. 1, s. 2 and Sch. 3, s. 2, as am. by B.C. Reg. 56/2025, s. (a).]

Used manufactured buildings

58 (1) In this section:

"previous purchaser" means a person who purchased a manufactured building at a previous sale;

"previous sale", in respect of a manufactured building referred to in subsection (2), means the retail sale, referred to in paragraph (a) (i) of that subsection, of the manufactured building.

(2) A manufactured building is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the manufactured building was previously

(i) sold at a retail sale, and

(ii) subject to subsection (3), used as a building by

(A) the previous purchaser of the manufactured building,

(B) another person at the expense of the previous purchaser,

(C) a principal for whom the previous purchaser acted as agent in acquiring the manufactured building at the previous sale, or

(D) another person at the expense of a principal for whom that previous purchaser acted as agent in acquiring the manufactured building at the previous sale, and

(b) any of the following applies:

(i) the manufactured building was designed and is obtained for residential use;

(ii) the previous sale took place before July 1, 2010;

(iii) tax was paid by the previous purchaser of the manufactured building in respect of the previous sale

(A) under the Act and the person has not obtained and is not entitled to obtain, under the Act, a refund of that tax, or

(B) under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and that person has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax.

(3) For the purposes of subsection (2) (a) (ii), use of a manufactured building does not include leasing the manufactured building as a lessor.

Custom software, custom modified software and other software

59 (1) In this section:

"custom modified software" means software that is modified

(a) in a manner that involves changes to the source code, and

(b) solely to meet the requirements of a specific person

if

(c) the purchase price or lease price, as applicable, is for the software as modified, and

(d) that purchase price or lease price is greater than double what it would be for the software in its unmodified form;

"custom software" means

(a) software that is developed solely to meet the requirements of a specific person, and

(b) modifications to software referred to in paragraph (a), if the modifications are performed for that specific person.

(2) Custom software or custom modified software is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the custom software or custom modified software is obtained by, or on behalf of, the specific person referred to in the definition of "custom software" or "custom modified software", as applicable, in subsection (1) of this section, for that specific person's own use.

(3) Custom software or custom modified software is exempt from tax imposed under Part 3 of the Act if the custom software or custom modified software is sold, as part of a business sold as a going concern, by a person who retains no rights or interests in the custom software or custom modified software.

(4) Software is exempt from tax imposed under Part 3 of the Act if

(a) the software is sold, as part of a business sold as a going concern, by a person who retains no rights or interests in the software,

(b) before the sale referred to in paragraph (a), the software was modified

(i) in a manner that involved changes to the source code, and

(ii) solely to meet the requirements of a specific person, and

(c) the purchase price or lease price, as the case may be, of the modifications referred to in paragraph (b) was

(i) segregated on the receipt, bill or invoice provided to the purchaser or lessee, and

(ii) greater than the purchase price or lease price, as the case may be, of the software in its unmodified form.

(5) Software source code in non-executable form is exempt from tax imposed under Part 3 of the Act.

(6) Subsections (3) and (4) of this section are prescribed for the purposes of the following provisions of the Act:

(a) section 89 (2) *[tax on acquisition of eligible tangible personal property]*;

(b) section 90 (4) *[tax on eligible tangible personal property brought into British Columbia]*;

(c) section 99 (6) *[tax on acquisition of exclusive product by independent sales contractor]*.

Freedom of information and protection of privacy

60 Tangible personal property acquired under the *Freedom of Information and Protection of Privacy Act* and described in Schedule 1 *[Schedule of Maximum Fees]* of the Freedom of Information and Protection of Privacy Regulation, B.C. Reg. 155/2012, is exempt from tax imposed under Part 3 of the Act.

[am. B.C. Reg. 114/2026, Sch. 1, s. 1.]

60.1 Repealed. [B.C. Reg. 117/2014, Sch. 4, s. 4.]

Purchases at duty free shop

60.2 Tangible personal property is exempt from tax imposed under Part 3 of the Act if the tangible personal property is purchased at a duty free shop, as defined in the *Customs Act* (Canada), by a person who is about to leave Canada.

[en. B.C. Reg. 216/2013, App. 1, s. 9.]

Delivery charge for aggregate

60.3 (1) In this section:

"aggregate" means quarry material and fill ordinarily used in the construction and maintenance of civil and structural projects;

"delivery charge" means a charge included under section 10 (2) (e) (i) of the Act *[original purchase price of tangible personal property]* in the purchase price of tangible personal property.

(2) The portion of the purchase price of aggregate that is a delivery charge is exempt from tax imposed under Part 3 of the Act if the purchaser is not required to pay the delivery charge in order to purchase the aggregate.

[en. B.C. Reg. 157/2018, s. 1.]

Purchases and leases on commercial vessels

60.4 (1) Tangible personal property is exempt from tax imposed under Part 3 of the Act if the tangible personal property is purchased or leased

(a) on a passenger-carrying commercial vessel during the course of a scheduled sailing

(i) from a port in British Columbia to a port outside British Columbia,

(ii) from a port outside British Columbia to a port in British Columbia, or

(iii) between ports outside British Columbia,

(b) from a person who has an established commercial presence in one or more areas on board the vessel, and

(c) for use only during the course of the scheduled sailing.

(2) A person referred to in subsection (1) (b) is exempt from the requirement to levy and collect tax in the circumstances described in subsection (1) (a) and (b).

[en. B.C. Reg. 113/2019, Sch. 1, s. 1.]

60.5 Repealed. [B.C. Reg. 210/2022, s. (c).]

Division 12 – Evidence Relating to Exemptions under Act in Respect of Tangible Personal Property

Evidence relating to exemption under section 44 (2) of Act

61 For the purposes of section 44 (2) *[evidence required to claim exemption if lease under sale and lease-back arrangement]* of the Act, in relation to a person who alleges that tangible personal property is exempt under section 44 (1) of the Act from tax imposed under Division 3 of Part 3 of the Act, the collector is required to obtain

(a) a document evidencing the purchase of the tangible personal property by that person, and

(b) a document evidencing the payment of tax referred to in subparagraph (i), (ii) or (iii) of section 44 (1) (b) of the Act in respect of the tangible personal property by that person.

Evidence relating to exemption of natural gas under section 140 of Act

61.1 For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that natural gas, as defined in the *Motor Fuel Tax Act*, is exempt under section 140 *[exemption in relation to fuel]* of the Act, the collector is required to obtain a declaration in a form specified by the director.

[en. B.C. Reg. 102/2015, App. 3, s. 1; am. B.C. Reg. 137/2024, App. 3, s. 1.]

Evidence relating to exemptions under section 141 (1) of Act

62 For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under section 141 (1) *[exemptions in relation to industry and commerce]* of the Act, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Evidence relating to exemptions under section 142 of Act

63 For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that tangible personal property is exempt under section 142 *[exemptions for tangible personal property intended for lease]* of the Act, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

PART 3 – EXEMPTIONS IN RELATION TO SOFTWARE

Division 1 – Exemptions in Relation to Software

Software obtained by qualifying school, school board or similar authority

64 (1) Subject to subsection (2), software is exempt from tax imposed under Part 4 of the Act, other than section 109 of that Part, if the software is obtained by a qualifying school, school board or similar authority for use substantially as a teaching aid for students.

(2) The exemption under subsection (1) does not apply to software obtained for use by teachers to assess or evaluate students or to report on students' progress.

(3) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (b) *[provisions providing exemptions in relation to software]* of the Act.

[am. B.C. Reg. 216/2013, App. 2, s. 3.]

New resident's effects – software

65 (1) Software is exempt from tax imposed under section 106 *[tax on use of software on device in British Columbia]* of the Act if the software was purchased by an individual

(a) for use solely for a non-business purpose, and

(b) at least 30 days before the individual became a resident of British Columbia.

(2) Software that qualified for an exemption under subsection (1) on the date on which the software was first used in British Columbia and that is subsequently used for a business purpose is exempt from tax imposed under section 109 *[tax if use of software changes]* of the Act if

(a) the use of the software for a business purpose does not begin within the first 6 months after the individual referred to in subsection (1) of this section became a resident of British Columbia,

(b) the software was owned and used by that individual for more than 3 years before that individual became a resident of British Columbia, and

(c) the individual referred to in subsection (1)

(i) previously paid tax under the Act or the *Social Service Tax Act* in respect of the software and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(ii) previously paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the software and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax, or

(iii) previously paid sales tax in respect of the software to another province and has not obtained and is not entitled to obtain a refund of or a credit or rebate for that sales tax.

Commercial fishers

66 (1) Software designed for use on electronic monitoring equipment described in item 22 of Schedule 3 *[Fishing Equipment for Commercial Fishing Purpose]* is exempt from tax imposed under Part 4 of the Act, other than section 109 of that Part, if

(a) the software is obtained by a qualifying commercial fisher for use on electronic monitoring equipment described in item 22 of Schedule 3, and

(b) the electronic monitoring equipment is to be used by a qualifying commercial fisher solely for a commercial fishing purpose.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (b) *[provisions providing exemptions in relation to software]* of the Act.

(3) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that software is exempt under subsection (1) of this section, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Transfer due to dissolution of marriage or relationship

67 An individual is exempt from tax imposed under Part 4 of the Act in respect of software transferred to the individual from a spouse or former spouse of the individual under

(a) an agreement dividing property under Part 5 *[Property Division]* or 6 *[Pension Division]* of the *Family Law Act*,

(b) a written separation agreement, or a marriage agreement, referred to in the *Family Relations Act*, or

(c) an order of a court on the dissolution of a marriage or marriage-like relationship.

Custom software, custom modified software and other software

68 (1) In this section:

"custom modified software" means software that is modified

(a) in a manner that involves changes to the source code, and

(b) solely to meet the requirements of a specific person

if

(c) the purchase price is for the software as modified, and

(d) that purchase price is greater than double what it would be for the software in its unmodified form;

"custom software" means

(a) software that is developed solely to meet the requirements of a specific person, and

(b) modifications to software referred to in paragraph (a), if the modifications are performed for that specific person.

(2) Custom software or custom modified software is exempt from tax imposed under Part 4 of the Act, other than section 109 of that Part, if the custom software or custom modified software is obtained by, or on behalf of, the specific person referred to in the definition of "custom software" or "custom modified software", as applicable, in subsection (1) of this section, for that specific person's own use.

(3) Custom software or custom modified software is exempt from tax imposed under Part 4 of the Act if the custom software or custom modified software is sold, as part of a business sold as a going concern, by a person who retains no rights or interests in the custom software or custom modified software.

(4) Software is exempt from tax imposed under Part 4 of the Act if

(a) the software is sold, as part of a business sold as a going concern, by a person who retains no rights or interests in the software,

(b) before the sale referred to in paragraph (a), the software was modified

(i) in a manner that involved changes to the source code, and

(ii) solely to meet the requirements of a specific person, and

(c) the purchase price or lease price, as the case may be, of the modifications referred to in paragraph (b) was

(i) segregated on the receipt, bill or invoice provided to the purchaser or lessee, and

(ii) greater than the purchase price or lease price, as the case may be, of the software in its unmodified form.

(5) Software source code in non-executable form is exempt from tax imposed under Part 4 of the Act.

(6) Subsections (3) and (4) of this section are prescribed for the purposes of section 112 (2) *[tax on purchase of software by small seller]* of the Act.

Software purchased by First Nation individual or band

68.1 (1) Software is exempt from tax imposed under Part 4 of the Act if the software is

(a) purchased by a First Nation individual or a band, and

(b) for use on, through or with an electronic device that is

(i) owned or leased by the First Nation individual or band, and

(ii) ordinarily situated on First Nation land.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (1) (b) *[provisions providing exemptions in relation to software]* of the Act.

[en. B.C. Reg. 216/2013, App. 1, s. 10; am. B.C. Reg. 233/2024, Sch. 1, s. 1.]

Software incorporated into prototypes

69 For the purposes of section 113 (1) (d) *[exemptions in relation to software for prototypes]* of the Act,

(a) software that is not specifically designed for a prototype referred to in that provision is prescribed software, and

(b) making a copy of a prototype solely for the purpose of testing the prototype as part of the research and development activities referred to in that provision is a prescribed purpose.

Division 2 – Evidence Relating to Exemptions under Act in Respect of Software

Evidence relating to exemptions under section 113 (1) of Act

70 For the purposes of section 145 (1.1) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that software is exempt under section 113 (1) *[exemptions in relation to software]* of the Act, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

PART 4 – EXEMPTIONS IN RELATION TO SERVICES

Division 1 – Services Related to Purchase

Motor vehicle conversion for individuals with disabilities

71 A purchaser to whom section 116 *[tax if contract for property conversion related to purchase]* of the Act applies is exempt from tax imposed under that section if the

processing, fabrication, manufacturing, attachment or incorporation referred to in subsection (2) (b) of that section is solely for the purpose of

(a) modifying a motor vehicle, other than a multijurisdictional vehicle, to facilitate the use of the vehicle by, or the transportation of, an individual using a wheelchair, or

(b) equipping a motor vehicle, other than a multijurisdictional vehicle, with an auxiliary driving control to facilitate the operation of the vehicle by an individual with a disability.

Motor vehicle modification for individuals with disabilities

72 A purchaser to whom section 117 *[tax if contract for modification of purchased property]* of the Act applies is exempt from tax imposed under that section if the modification or processing of the tangible personal property referred to in subsection (2) (b) of that section is solely for the purpose of

(a) modifying a motor vehicle, other than a multijurisdictional vehicle, to facilitate the use of the vehicle by, or the transportation of, an individual using a wheelchair, or

(b) equipping a motor vehicle, other than a multijurisdictional vehicle, with an auxiliary driving control to facilitate the operation of the vehicle by an individual with a disability.

First Nation individual or band

72.1 (1) A purchaser is exempt from tax imposed under section 116 or 117 of the Act if

(a) the purchaser is a First Nation individual or a band, and

(b) the following are provided wholly on First Nation land:

(i) in the case of section 116 of the Act, the processing, fabrication, manufacturing, attachment or incorporation referred to in section 116 (2) (b) of the Act;

(ii) in the case of section 117 of the Act, the modification or processing of the tangible personal property referred to in section 117 (2) (b) of the Act.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

[en. B.C. Reg. 216/2013, App. 1, s. 11.]

Division 2 – Related Services in Relation to Tangible Personal Property

Tangible personal property for which service is exempt – general

73 (1) Subject to section 73.1, a related service provided in relation to the following tangible personal property is exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part:

(a) tangible personal property that a person, other than a small seller, stores, keeps or retains solely for the purpose of resale;

(a.1) tangible personal property that a registrant stores, keeps or retains solely for the purpose of leasing the tangible personal property to other persons;

(b) tangible personal property that would be exempt from tax imposed under the Act if the tangible personal property were obtained on the date on which the service is provided, other than tangible personal property that would be exempt from tax under any of the provisions listed in section 57 (2) and (3) *[parts]* of this regulation;

(c) tangible personal property that

(i) was brought or sent into British Columbia solely for the purpose of having the particular related service and any other related service provided in respect of the tangible personal property, and

(ii) was, immediately after the particular related service and any other related service was provided, transported outside British Columbia for use outside British Columbia;

(d) an animal;

(e) a manufactured building;

(f) affixed machinery, other than

(i) travelling cranes and hoists that

(A) run on rails or tracks attached to a building, and

(B) are attached to the rails or tracks by flanged wheels, or rest on the rails or tracks by their own weight, and

(ii) affixed machinery, or parts of affixed machinery, that have been removed from the site at which they were affixed or installed;

(g) the following tangible personal property, if the tangible personal property is designed for household use:

(i) clothes dryers;

(ii) clothes washers;

(iii) curtains and draperies;

(iv) dishwashers;

(v) freezers;

(vi) ovens;

(vii) refrigerators;

(viii) rugs and carpets;

(ix) rug-cleaning and carpet-cleaning machines;

(x) sewing machines;

(xi) stoves;

(xii) vacuums;

(h) clothing and footwear, other than blades for skates;

(i) a multijurisdictional vehicle;

(j) tangible personal property that

(i) is typically attached or applied to an individual, and

(ii) is and remains attached or applied to the individual after the service is provided.

(k) Repealed. [B.C. Reg. 216/2013, App. 1, s. 12.]

(2) The following are prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act:

(a) subsection (1) (a), (a.1), (c) and (i) of this section;

(b) subsection (1) (b) of this section as it relates to tangible personal property that is a trailer obtained for use solely with multijurisdictional vehicles.

(3) For the purposes of section 145 (2) of the Act, in relation to a person who alleges that a related service is exempt under subsection (1) (a) or (a.1) of this section, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

(3.1) For the purposes of section 145 (2) of the Act, in relation to a person who alleges that a related service provided in relation to a trailer obtained for use solely with multijurisdictional vehicles is exempt under subsection (1) (b) of this section, the collector is required to obtain the account number assigned to the person

(a) by the Insurance Corporation of British Columbia, if the person licenses the vehicle in British Columbia under a licence to which a prorating agreement applies, or

(b) by the licensing authority in the jurisdiction in which the person licenses the vehicle, if the person licenses the vehicle outside British Columbia under a licence to which a prorating agreement applies.

(4) For the purposes of section 145 (2) of the Act, in relation to a person who alleges that a related service is exempt under subsection (1) (i) of this section, the collector is required to obtain the account number assigned to the person

(a) by the Insurance Corporation of British Columbia, if the person licenses the vehicle in British Columbia under a licence to which a prorating agreement applies, or

(b) by the licensing authority in the jurisdiction in which the person licenses the vehicle, if the person licenses the vehicle outside British Columbia under a licence to which a prorating agreement applies.

[am. B.C. Regs. 153/2013, s. 3; 216/2013, App. 1, s. 12 and App. 2, s. 4; 262/2021, Sch. 1; 137/2024, App. 3, s. 1; 113/2026, App. 1, s. 2.]

Exception – clothing and footwear

73.1 (1) In this section, a reference to clothing or footwear does not include clothing or footwear that would be exempt under Division 8 *[Safety Equipment and Apparel]* of Part 2.

(2) The exemption under

(a) section 73 (1) (b), to the extent the tangible personal property is clothing or footwear that would be exempt under section 9 (2) or (3) *[children's clothing and footwear]* or 10 *[used clothing and footwear]*, and

(b) section 73 (1) (h),

does not apply in respect of any consideration for a provision of a related service in relation to clothing and footwear that

(c) becomes due on or after October 1, 2026, and

(d) has not been paid before October 1, 2026.

[en. B.C. Reg. 113/2026, App. 1, s. 3.]

Tangible personal property for which service is exempt – farmers

74 (1) A related service provided in relation to tangible personal property described in Schedule 2 *[Tangible Personal Property for Farm Purpose]* is exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part, if

(a) the related service is purchased by a qualifying farmer, and

(b) the tangible personal property is to be used solely for a farm purpose.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

(3) For the purposes of section 145 (2) of the Act, in relation to a person who alleges that a related service is exempt under subsection (1) of this section, the collector is required to obtain

(a) the name, address, card number and expiry date as recorded on a BC Farmer Identity Card issued to that person by the BC Agriculture Council, or

(b) a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Tangible personal property for which service is exempt – commercial fishers

75 (1) A related service provided in relation to a boat, a fishing net or fishing equipment is exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part, if

(a) the related service is purchased by a qualifying commercial fisher, and

(b) the boat, fishing net or fishing equipment is to be used solely for a commercial fishing purpose.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

(3) For the purposes of section 145 (2) (a) of the Act, in relation to a person who alleges that a related service is exempt under subsection (1) of this section, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Tangible personal property for which service is exempt – aquaculturists

76 (1) A related service provided in relation to tangible personal property described in Schedule 4 *[Tangible Personal Property for Aquaculture Purpose]* is exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part, if

(a) the related service is purchased by a qualifying aquaculturist, and

(b) the tangible personal property is to be used solely for an aquaculture purpose.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

(3) For the purposes of section 145 (2) (a) of the Act, in relation to a person who alleges that a related service is exempt under subsection (1) of this section, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Services provided outside British Columbia in relation to taxable conveyance

76.1 A related service provided in relation to a taxable conveyance, as defined in section 59 of the Act, is exempt from tax imposed under section 120 *[tax if related service provided outside British Columbia]* of the Act.

[en. B.C. Reg. 216/2013, App. 1, s. 13.]

Exempt services

77 (1) Subject to section 77.2, the following related services are exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part:

(a) towing of a motor vehicle;

(b) boosting of a motor vehicle battery, other than battery recharging;

(c) roadside tire changing of a motor vehicle;

(d) roadside unlocking of a motor vehicle;

(e) waxing of a motor vehicle;

(f) a service provided solely for the purpose of modifying a motor vehicle to facilitate the use of the motor vehicle by, or the transportation of, an individual using a wheelchair;

(g) a service provided solely for the purpose of equipping a motor vehicle with an auxiliary driving control to facilitate the operation of the motor vehicle by an individual with a disability;

(h) the following related services provided in relation to tangible personal property, if no other related service, other than a related service that is exempt from tax imposed under the Act, is provided in relation to the tangible personal property:

(i) diagnostic services, testing or safety inspections

(A) provided to the tangible personal property, or

(B) to provide an estimate for related services to the tangible personal property;

(ii) dismantling and any reassembly of the tangible personal property, if the dismantling and any reassembly are provided solely for the purpose of providing

(A) diagnostic services, testing or safety inspections to the tangible personal property, or

(B) an estimate for related services to the tangible personal property;

(i) services to inspect, repair or replace tangible personal property as a result of a recall of the tangible personal property by its manufacturer, if the services are purchased by the manufacturer;

(j) services to inspect, repair or replace tangible personal property under a warranty for which

(i) the purchaser of the tangible personal property paid or agreed to pay a charge described in section 10 (2) (i) of the Act, or

(ii) the lessee of the tangible personal property made a payment or provided consideration described in section 13 (2) (g) of the Act,

if the services are purchased by the person who provided the warranty;

(k) services to inspect, repair or replace tangible personal property for which

(i) the purchaser of the tangible personal property paid or agreed to pay a charge described in section 10 (2) (i) of the Act relating to the maintenance of or service to the tangible personal property, or

(ii) the lessee of the tangible personal property made a payment or provided consideration described in section 13 (2) (g) of the Act relating to the maintenance of or service to the tangible personal property;

(l) liquefying natural gas.

(2) Subject to section 77.2, the following related services are exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part:

(a) attaching or applying tangible personal property to or removing tangible personal property from an individual;

(b) services that are provided to an electronic device and that consist of

(i) installing software on the electronic device,

(ii) removing software or data from the electronic device,

(iii) relocating, modifying or copying software or data on the electronic device, or

(iv) installing data on the electronic device, if the purpose of the installation is to back up data installed on another electronic device;

(c) installing tangible personal property as part of a window display service;

(d) erecting, constructing or assembling the following tangible personal property, if the tangible personal property is for use in the construction, demolition, adjustment, repair, renovation, restoration or maintenance of real property or affixed machinery:

(i) scaffolding, formwork, hoarding or other temporary protective coverings;

(ii) construction cranes;

(iii) temporary power or other utilities;

(e) dismantling tangible personal property described in paragraph (d) (i), (ii) or (iii), if the tangible personal property was used in the construction, demolition, adjustment, repair, renovation, restoration or maintenance of real property or affixed machinery;

(e.1) dry-cleaning, wet-cleaning and laundry services;

(f) cleaning services provided in relation to tangible personal property, if no other related service, other than a related service that is exempt from tax imposed under the Act, is provided in relation to the tangible personal property;

(g) moving services;

(h) courier and mail services;

(i) freight transportation services;

(j) disposal services;

(k) services that measure, weigh, grade or classify tangible personal property, if no other related service, other than a related service that is exempt from tax imposed under the Act, is provided in relation to the tangible personal property;

(l) engraving services;

(m) packaging tangible personal property;

(n) numbering pages, collating pages and folding pages;

(o) cutting tangible personal property, other than cutting that is part or all of a service to repair, restore or recondition the tangible personal property, and only if no other related service, other than a related service that is exempt from tax imposed under the Act, is provided in relation to the tangible personal property;

(p) services purchased by a corporation from a related corporation within the meaning of section 148 *[definitions and interpretation for Part 9]* of this regulation;

(q) services that are

(i) purchased by a First Nation individual or a band, and

(ii) provided wholly on First Nation land;

(r) services provided to grow plants if the service is provided at a location other than on property owned, leased or used by the owner of the plants.

(3) Subsection (2) (q) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

[am. B.C. Regs. 216/2013, App. 1, s. 14 and App. 2, s. 5; 90/2015, s. 1; 245/2020, s. (a); 113/2026, App. 1, s. 4.]

Related services on commercial vessels

77.1 (1) A related service is exempt from tax imposed under Part 5 of the Act if the related service is

(a) purchased and provided on a passenger-carrying commercial vessel during the course of a scheduled sailing

(i) from a port in British Columbia to a port outside British Columbia,

(ii) from a port outside British Columbia to a port in British Columbia, or

(iii) between ports outside British Columbia, and

(b) purchased from a person who has an established commercial presence in one or more areas on board the vessel.

(2) A person referred to in subsection (1) (b) is exempt from the requirement to levy and collect tax in the circumstances described in subsection (1) (a) and (b).

[en. B.C. Reg. 113/2019, Sch. 1, s. 2.]

Related services not exempt during lease of tangible personal property

77.2 The exemptions set out in section 77 (1) and (2) (a) to (n) do not apply to a related service if during a lease of tangible personal property by a lessor the related service is provided by the lessor, or by a third party through a contract with the lessor, and the related service is

(a) a service to the leased tangible personal property, or

(b) a service to tangible personal property used with, resulting from or related to the leased tangible personal property.

[en. B.C. Reg. 147/2024.]

Division 3 – Accommodation

Exemptions in relation to accommodation

78 (1) The following accommodation is exempt from tax imposed under Division 3 of Part 5 of the Act:

(a) accommodation that is not listed on an online marketplace and for which the charge for the unit of accommodation is $30 or less per day, or $210 or less per week;

(b) Repealed. [B.C. Reg. 141/2018, Sch. 2, s. 1 (b).]

(c) accommodation that is provided in a unit of accommodation to

(i) an individual, other than a tourism agent, if the unit is occupied for a continuous period of 27 days or more by

(A) the individual,

(B) the individual's employees,

(C) members of the individual's family, or

(D) members of the individual's employees' families,

(ii) a person, other than an individual or a tourism agent, if the unit is occupied for a continuous period of 27 days or more by

(A) the person's employees, or

(B) members of the person's employees' families, or

(iii) a tourism agent, if the unit is occupied for a continuous period of 27 days or more by the same customer of the tourism agent;

(d) accommodation that is

(i) purchased by a First Nation individual or a band, and

(ii) provided wholly on First Nation land;

(e) accommodation that is provided in premises normally operated by or on behalf of an employer to provide lodging to the employer's employees, if the accommodation is purchased by an employee of the employer;

(f) accommodation that is provided

(i) to an employee of an employer or another person engaged by the employer, and

(ii) in a bunk house, trailer or other dwelling that is operated at an industrial camp

(A) by or on behalf of the employer or under a contract with the employer, and

(B) solely for the purpose of providing lodging substantially to the employees of the employer or other persons engaged by the employer

during periods when those employees or persons are performing work or services for the employer;

(g) accommodation that is provided

(i) by a religious or charitable organization, and

(ii) at a summer camp or similar place;

(h) accommodation that is provided without any of the following:

(i) bed linen;

(ii) heat, other than a wood-burning fireplace or wood-burning stove;

(iii) electricity;

(iv) indoor plumbing;

(i) accommodation that is provided in tents;

(j) accommodation that is provided by a person who does not list the accommodation on an online marketplace and

(i) whose gross revenue in the previous 12 months from the provision of accommodation, including accommodation referred to in paragraphs (a) to (i), is $2 500 or less, and

(ii) whose reasonable estimate of gross revenue in the 12 months after the 12 months referred to in subparagraph (i) from the provision of accommodation, including accommodation referred to in paragraphs (a) to (i), is $2 500 or less.

(2) Subsection (1) (d) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

[am. B.C. Regs. 216/2013, App. 2, s. 6; 141/2018, Sch. 2, s. 1; 154/2022, Sch. 2, s. 1.]

Division 4 – Legal Services

Definitions

79 In this Division:

"law firm" has the same meaning as in the *Legal Profession Act*;

"notary firm" means a legal entity or combination of legal entities providing services described in section 18 of the *Notaries Act*.

Exemption in relation to legal services that relate to another jurisdiction

79.1 (1) Subject to subsection (2), legal services are exempt from tax imposed under section 126 (1) *[tax if legal services provided in British Columbia]* of the Act if the legal services relate to a jurisdiction other than British Columbia.

(2) A purchaser or recipient of legal services is exempt from tax imposed under section 126 (1) of the Act in relation to that portion of the purchase price which is for legal services that relate to a jurisdiction other than British Columbia if part of the legal services relates to a jurisdiction other than British Columbia.

(3) For the purposes of this section, legal services relate to a jurisdiction other than British Columbia in the same manner as legal services relate to British Columbia within the meaning of section 127 (2) of the Act.

[en. B.C. Reg. 114/2026, Sch. 1, s. 2.]

Legal services provided under contract

80 Legal services are exempt from tax imposed under Division 4 of Part 5 of the Act if

(a) the legal services are provided to a lawyer, law firm, notary or notary firm by

(i) an individual who provides legal services only to the lawyer, law firm, notary or notary firm, but who is not an employee of the lawyer, law firm, notary or notary firm for the purposes of the *Income Tax Act* (Canada), or

(ii) a law firm or notary firm that provides legal services only to the lawyer, law firm, notary or notary firm,

(b) the legal services are provided only in respect of a particular client of the lawyer, law firm, notary or notary firm, and

(c) the purchase price to the lawyer, law firm, notary or notary firm for the legal services is to be included in the purchase price of legal services billed or otherwise charged to the client by the lawyer, law firm, notary or notary firm.

[en. B.C. Reg. 216/2013, App. 1, s. 15.]

Legal services provided to First Nation individuals

81 (1) The following are exempt from tax imposed under Division 4 of Part 5 of the Act:

(a) legal services purchased by a First Nation individual or a band, if the legal services

(i) relate to real property situated on First Nation land, or

(ii) are performed on First Nation land;

(b) legal services purchased by an aboriginal organization representing the interests of First Nation individuals and bands, if the legal services relate to any of the following:

(i) aboriginal treaty or land claims negotiations;

(ii) consultations with the government or the government of Canada in relation to aboriginal rights or aboriginal title;

(iii) negotiations with the government or the government of Canada in relation to interim agreements that relate to aboriginal rights or aboriginal title;

(iv) negotiations that relate to existing treaties or treaty rights;

(v) negotiations with other aboriginal organizations in relation to overlapping treaty or land claims.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

[am. B.C. Regs. 216/2013, App. 2, s. 7; 114/2026, Sch. 1, s. 3.]

Legal services provided to corporations

82 A corporation is exempt from tax imposed under Division 4 of Part 5 of the Act in relation to legal services provided to that corporation by an employee of a related corporation within the meaning of section 148 *[definitions and interpretation for Part 9]* of this regulation.

Division 4.1 – Accounting Services

Exemption in relation to accounting services

82.1 Accounting services are exempt from tax imposed under Division 4.1 of Part 5 of the Act.

[en. B.C. Reg. 161/2026, Sch.]

Division 4.2 – Architectural Services

Exemption in relation to architectural services

82.2 Architectural services are exempt from tax imposed under Division 4.2 of Part 5 of the Act.

[en. B.C. Reg. 161/2026, Sch.]

Division 4.3 – Engineering Services

Exemption in relation to engineering services

82.3 Engineering services are exempt from tax imposed under Division 4.3 of Part 5 of the Act.

[en. B.C. Reg. 161/2026, Sch.]

Division 4.4 – Non-Residential Real Estate Services

Exemption in relation to non-residential real estate services

82.4 Non-residential real estate services are exempt from tax imposed under Division 4.4 of Part 5 of the Act.

[en. B.C. Reg. 161/2026, Sch.]

Division 4.5 – Security Services

Exemption in relation to security services

82.5 Security services are exempt from tax imposed under Division 4.5 of Part 5 of the Act.

[en. B.C. Reg. 161/2026, Sch.]

Division 5 – Telecommunication Services

Telephone and communication services

83 (1) In this section, **"public switched telephone network"** means a telecommunication facility, the primary purpose of which is to provide, for compensation, a landline-based telephone service to the public.

(2) The following are exempt from tax imposed under Division 5 of Part 5 of the Act:

(a) subject to subsections (4) and (5), a telecommunication service in the form of a toll-free number, other than if the telecommunication service is

(i) acquired for family or domestic use, or

(ii) a teleconference service.

(b) a telecommunication service that is purchased by

(i) the government,

(ii) an agent of the government,

(iii) a regional district,

(iv) a municipality,

(v) a fire department,

(vi) a police department,

(vii) the South Coast British Columbia Transportation Authority,

(viii) the Victoria Airport Authority,

(ix) the British Columbia Ambulance Service,

(x) British Columbia Emergency Health Services,

(xi) British Columbia Transit, or

(xii) the University of Victoria

in respect of its emergency communications systems from

(xiii) E-Comm Emergency Communications for British Columbia Incorporated, or

(xiv) the Capital Region Emergency Service Telecommunications Incorporated (CREST);

(c) conventional paging services that allow a person to receive, but not to send, telecommunications by means of a pager;

(d) subject to subsections (3) and (6), residential telephone services provided to a purchaser by means of a wire or cable and through a public switched telephone network.

(3) The exemption under subsection (2) (d) does not apply to the following:

(a) long distance telephone services;

(b) telephone services provided to a purchaser by means of the internet.

(4) The exemption under subsection (2) (a) does not apply in respect of any consideration for a provision of a telecommunication service in the form of a toll-free number that

(a) becomes due on or after October 1, 2026, and

(b) has not been paid before October 1, 2026.

(5) Without limiting subsection (4), if, before October 1, 2026, consideration for a provision of a telecommunication service in the form of a toll-free number becomes due or is paid without having become due in relation to service provided after November 30, 2026, the exemption under subsection (2) (a) does not apply in respect of any consideration for the provision of the service

(a) that, before October 1, 2026, becomes due or is paid without having become due, and

(b) that is attributable to the provision of the service provided after September 30, 2026.

(6) The exemption under subsection (2) (d) does not apply in respect of any consideration for a provision of residential telephone services that

(a) becomes due on or after October 1, 2026, and

(b) has not been paid before October 1, 2026.

[am. B.C. Regs. 145/2013, App. 2, s. 13; 216/2013, App. 1, s. 16; 74/2016; 113/2026, App. 1, s. 5.]

Cable television services

84 (1) In this section, **"basic cable television services"** means the minimum level of television services that a purchaser must purchase from a provider of television services to receive any television services from that provider.

(2) Subject to subsections (3) and (4), basic cable television services provided to a purchaser by means of a wire or cable are exempt from tax imposed under Division 5 of Part 5 of the Act.

(3) The exemption under subsection (2) does not apply to television services provided to a purchaser by means of satellite or the internet.

(4) The exemption under subsection (2) does not apply in respect of any consideration for a provision of basic cable television services that

(a) becomes due on or after October 1, 2026, and

(b) has not been paid before October 1, 2026.

[am. B.C. Reg. 113/2026, App. 1, s. 6.]

Education programs

85 A telecommunication service that is provided to a purchaser as part of the purchaser's participation in any of the following programs or activities and is provided only to participants of the program or activity by the person offering that program or activity is exempt from tax imposed under Division 5 of Part 5 of the Act:

(a) an educational program provided by a qualifying school or other educational institution;

(b) a training or instructional program designed to develop or improve the knowledge, skills or abilities needed by individuals for a particular trade, occupation or profession;

(c) a lecture, presentation, seminar, workshop or similar activity designed for educational purposes, if the participants in the activity and the presenter or instructor utilize a telecommunication system to send and receive telecommunications with each other in real time.

[am. B.C. Reg. 216/2013, App. 1, s. 17.]

Photographers

86 A purchaser is exempt from tax imposed under Division 5 of Part 5 of the Act in respect of a telecommunication service if

(a) the purchaser purchases the telecommunication service from a person who produced a video specifically for the purchaser under a contract with that purchaser,

(b) the telecommunication service is a telecommunication service described in paragraph (d) of the definition of "telecommunication service" in section 1 *[definitions]* of the Act in respect of the video referred to in paragraph (a) of this section, and

(c) the purchaser does not obtain the video, or copies of the video, referred to in paragraph (a) in the form of tangible personal property.

[am. B.C. Reg. 216/2013, App. 1, s. 18.]

87 Repealed. [B.C. Reg. 233/2024, Sch. 1, s. 2.]

Telecommunication service in relation to purchase of accommodation

88 A purchaser is exempt from tax imposed under Division 5 of Part 5 of the Act in respect of a telecommunication service if

(a) the purchaser purchases the telecommunication service from a provider of accommodation, and

(b) the telecommunication service is in relation to a purchase of accommodation in British Columbia.

Telecommunication service purchased by First Nation individual or band

88.1 (1) A telecommunication service is exempt from tax imposed under Division 5 of Part 5 of the Act if

(a) the telecommunication service is purchased by a First Nation individual or a band, and

(b) the electronic device is

(i) owned or leased by the First Nation individual or band, and

(ii) ordinarily situated on First Nation land.

(2) Subsection (1) of this section is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

[en. B.C. Reg. 216/2013, App. 1, s. 19.]

Telecommunication services on commercial vessels

88.2 (1) A telecommunication service is exempt from tax imposed under Part 5 of the Act if the telecommunication service is

(a) purchased on a passenger-carrying commercial vessel during the course of a scheduled sailing

(i) from a port in British Columbia to a port outside British Columbia,

(ii) from a port outside British Columbia to a port in British Columbia, or

(iii) between ports outside British Columbia,

(b) purchased from a person who has an established commercial presence in one or more areas on board the vessel, and

(c) provided for use only during the course of the scheduled sailing.

(2) A person referred to in subsection (1) (b) is exempt from the requirement to levy and collect tax in the circumstances described in subsection (1) (a) and (b).

[en. B.C. Reg. 113/2019, Sch. 1, s. 3.]

Division 5.1 – Online Marketplace Services

Services provided by related corporation to online marketplace facilitator

88.3 A purchaser to whom section 134.3 of the Act applies is exempt from the tax imposed under that section in respect of an online marketplace service if

(a) the purchaser is an online marketplace facilitator, and

(b) the purchaser purchases the online marketplace service from a related corporation within the meaning of section 148 *[definition of related corporation]* of this regulation.

[en. B.C. Reg. 128/2023, Sch. 3.]

Division 6 – Evidence Relating to Exemptions under Act in Respect of Services

Evidence relating to exemptions under section 130 (3) of Act

89 For the purposes of section 130 (3) *[evidence required to claim exemption in relation to telecommunication services]* of the Act, in relation to a person who alleges that a telecommunication service is exempt under section 134 *[exemption if telecommunication service purchased for resale]* of the Act, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Evidence relating to exemptions under section 134.3 (4) of Act

89.1 For the purposes of section 134.3 (4) *[evidence required to claim exemption in relation to online marketplace services]* of the Act, in relation to a person who alleges that an online marketplace service is exempt under section 134.4 *[exemption if online marketplace service purchased for resale]* of the Act, the collector is required to obtain

(a) that person's registration number, or

(b) if that person does not have a registration number, a declaration in a form specified by the director.

[en. B.C. Reg. 154/2022, Sch. 2, s. 2; am. B.C. Reg. 137/2024, App. 3, s. 1.]

PART 5 – PRODUCTION MACHINERY AND EQUIPMENT

Division 1 – Definitions and Interpretation

Definitions

90 (1) In this Part:

"clean energy resource" means one or more of the following renewable resources:

(a) sunlight;

(b) wind or air;

(c) ocean tides, currents or waves;

(d) water;

"cost of development", in relation to Part 4 software, means the

(a) direct cost of materials,

(b) direct cost of labour, and

(c) Part 4 software development overhead

of the software developer, but does not include tax under Part IX of the *Excise Tax Act*;

"cost of extracting or processing", in relation to petroleum, natural gas or minerals, means the

(a) direct cost of materials,

(b) direct cost of labour, and

(c) extraction or processing overhead

of the oil and gas producer or mine operator, but does not include tax under Part IX of the *Excise Tax Act*;

"develop", in relation to Part 4 software, does not include

(a) providing a service, or

(b) testing the Part 4 software, unless the testing is one step in, or occurs immediately after, the development of the Part 4 software and occurs at the software development site;

"local government body" has the same meaning as in Schedule 1 of the *Freedom of Information and Protection of Privacy Act*;

"local government corporation" means a corporation whose taxable income, determined for the purposes of the *Income Tax Act* (Canada), is exempt from tax imposed under section 149 (1) (d.5) or (d.6) of that Act;

"logging" means

(a) felling or bucking trees,

(b) skidding or otherwise moving trees or logs to a landing or other first point of accumulation, or

(c) loading, unloading, sorting, storing or processing trees or logs at landings, log dumps, sort yards, dry land sorts, booming grounds or mill yards,

but does not include

(d) construction or maintenance of landings, log haul roads or other roads, or

(e) silviculture;

"machinery or equipment" includes apparatus;

"manufacture", subject to subsection (2), means

(a) to fabricate or manufacture tangible personal property to create a new product that is substantially different from the material or tangible personal property from which the new product was made,

(a.1) to generate energy from a clean energy resource, or

(b) to process tangible personal property by performing a series of operations or complex operation that results in a substantial change in the form or other physical or chemical characteristics of the tangible personal property,

but does not include performing a non-qualifying activity;

"manufacturer" means a person who manufactures a particular class of tangible personal property

(a) for sale, if there is a reasonable expectation that the total value of sales of that class of tangible personal property will exceed $30 000 per year,

(b) for lease or for the person's own business use, if there is a reasonable expectation that the total manufacturing cost of that class of tangible personal property will exceed $30 000 per year, or

(c) for both a purpose referred to in paragraph (a) and a purpose referred to in paragraph (b), if there is a reasonable expectation that the total manufacturing cost of that class of tangible personal property will exceed $30 000 per year;

"manufacturing cost", in relation to a manufacturer or a local government body or local government corporation that manufactures tangible personal property, means the

(a) direct cost of materials,

(b) direct cost of labour, and

(c) manufacturing overhead

of the manufacturer, local government body or local government corporation, but does not include tax under Part IX of the *Excise Tax Act*;

"marketable product" means petroleum or natural gas, whether it occurs naturally or results from the refining or processing of petroleum or natural gas, that is

(a) available for sale for direct consumption as a domestic, commercial or industrial fuel or as an industrial raw material, or

(b) delivered to a storage facility;

"mine operator" means a person who extracts or processes minerals

(a) for sale, if there is a reasonable expectation that the total value of sales of those minerals will exceed $30 000 per year,

(b) for the person's own business use, if there is a reasonable expectation that the total cost of extracting or processing those minerals will exceed $30 000 per year, or

(c) for both a purpose referred to in paragraph (a) and a purpose referred to in paragraph (b), if there is a reasonable expectation that the total cost of extracting or processing those minerals will exceed $30 000 per year;

"non-qualifying activity" means any of the following:

(a) growing, harvesting or producing agricultural or aquaculture products, or raising livestock;

(b) logging;

(c) the production of television programs, radio programs, motion pictures, commercials, master films or master video tapes, or any similar product in electronic format;

(d) providing a service, other than a service described in section 103 (2) or (3) *[service providers]*;

(e) in respect of manufacturing tangible personal property or processing petroleum, natural gas or minerals, carrying out an activity that is

(i) cleaning, painting, staining, blending, combining, grading, grouping, mixing, packaging, re-packaging, sorting, storing, screening, cutting, drying or testing,

(ii) transforming tangible personal property from a gaseous, liquid or solid state to another one of those states by means of a change in temperature or pressure, or

(iii) generating heat,

unless,

(iv) in the case of manufacturing tangible personal property, the applicable activity

(A) is combined with another activity that is not a non-qualifying activity, and

(B) occurs at the qualifying part of the manufacturing site,

(v) in the case of processing petroleum or natural gas, the applicable activity

(A) is combined with another activity that is not a non-qualifying activity, and

(B) occurs at the well site or at the qualifying part of the processing plant or refinery, or

(vi) in the case of processing minerals, the applicable activity

(A) is combined with another activity that is not a non-qualifying activity, and

(B) occurs at the qualifying part of the mine site;

(f) in respect of manufacturing tangible personal property, carrying out an activity that is

(i) changing the voltage of electricity,

(ii) crushing, dismantling, compressing, breaking down or shredding tangible personal property for the purposes of recycling of that tangible personal property, or

(iii) for the purposes of disposing of tangible personal property,

unless such activity is combined with another activity that is not a non-qualifying activity and occurs at the qualifying part of the manufacturing site;

"oil and gas producer" means a person who extracts or processes petroleum or natural gas

(a) for sale, if there is a reasonable expectation that the total value of sales of that petroleum or natural gas will exceed $30 000 per year,

(b) for the person's own business use, if there is a reasonable expectation that the total cost of extracting or processing that petroleum or natural gas will exceed $30 000 per year, or

(c) for both a purpose referred to in paragraph (a) and a purpose referred to in paragraph (b), if there is a reasonable expectation that the total cost of extracting or processing that petroleum or natural gas will exceed $30 000 per year;

"primarily" means more than 50%;

"process" does not include performing a non-qualifying activity;

"processing plant" means a plant in which petroleum or natural gas is processed and includes any of the following units, or a unit that is a combination of any of the following units:

(a) a dehydrator;

(b) a separator;

(c) a sweetener;

(d) a treater;

"qualifying minerals", in relation to a mine operator, means minerals extracted or processed by the mine operator

(a) for sale by the mine operator, or

(b) for the mine operator's own business use;

"qualifying part", in respect of

(a) a manufacturing site, means the part of the manufacturing site from the point at which the raw material or the clean energy resource is received to the point at which the finished product is first stored or first placed on or transferred to a vehicle, railway rolling stock, vessel, aircraft or other conveyance for removal from the manufacturing site, whichever occurs first,

(b) a processing plant or refinery, means the part of the processing plant or refinery up to the point at which the petroleum or natural gas being processed or refined has become a marketable product, and

(c) a mine site, means the part of the mine site from the point at which the raw material is extracted from the ground to the point at which the finished product is first stored or first placed on a vehicle, railway rolling stock, vessel, aircraft or other conveyance for removal from the mine site, whichever occurs first;

"qualifying petroleum or natural gas", in relation to an oil and gas producer, means petroleum or natural gas extracted or processed by the oil and gas producer

(a) for sale by the oil and gas producer, or

(b) for the oil and gas producer's own business use;

"qualifying software", in relation to a software developer, means Part 4 software developed by the software developer

(a) for sale by the software developer, or

(b) for the software developer's own business use;

"qualifying tangible personal property", in relation to a manufacturer, means tangible personal property

(a) in the particular class of tangible personal property referred to in the definition of "manufacturer" in this subsection, and

(b) manufactured by the manufacturer

(i) for sale by the manufacturer, or

(ii) for the manufacturer's own business use;

"software developer" means a person who develops Part 4 software

(a) for sale, if there is a reasonable expectation that the total value of sales of that Part 4 software will exceed $30 000 per year,

(b) for the person's own business use, if there is a reasonable expectation that the total cost of development of that Part 4 software will exceed $30 000 per year, or

(c) for both a purpose referred to in paragraph (a) and a purpose referred to in paragraph (b), if there is a reasonable expectation that the total cost of development of that Part 4 software will exceed $30 000 per year;

"software development site" means the place at which a software developer is located when the software developer is developing Part 4 software, but, in respect of Part 4 software being developed for sale, does not include a place at which the purchaser of that Part 4 software is located.

(2) The definition of "substantially" in section 1 *[definitions]* of the Act does not apply to the definition of "manufacture" in subsection (1) of this section.

[am. B.C. Regs. 120/2013, s. 1; 90/2015, s. 2; 134/2024, Sch. 2, s. 1.]

Interpretation

91 (1) In this Part, a reference to use in relation to substantially or primarily does not include storing, keeping or retaining.

(2) Subject to subsections (3) and (4), in this Part, the use of machinery or equipment in the construction of buildings, site preparation or the construction or maintenance of roads is not a use that qualifies the machinery or equipment for an exemption.

(3) For the purposes of sections 94 *[exploration for, discovery of or development of petroleum or natural gas]* and 104 *[logging]*, the use of machinery or equipment in site preparation is a use that qualifies the machinery or equipment for an exemption.

(4) For the purposes of sections 96 *[exploration for minerals or development of mines]* and 97 *[extraction or processing of minerals]*, the use of machinery or equipment in the construction or maintenance of roads within the qualifying part of a mine site is a use that qualifies the machinery or equipment for an exemption.

[am. B.C. Reg. 90/2015, s. 3.]

Division 2 – Exemptions for Machinery and Equipment

Definition

91.1 In this Division, **"qualifying person"** means a manufacturer, an oil and gas producer, a mine operator or a person who is entitled to obtain machinery or equipment exempt under section 103 *[service providers]* of this regulation from tax imposed under the Act.

[en. B.C. Reg. 120/2013, s. 2.]

Manufacturing

92 (1) Subject to subsections (2) and (3), the following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by a manufacturer:

(a) machinery or equipment obtained for use in British Columbia primarily and directly in the manufacture of qualifying tangible personal property;

(b) machinery or equipment obtained for use in British Columbia primarily and directly in

(i) the manufacture of tangible personal property, or

(ii) the development of Part 4 software

for use in British Columbia in the manufacture of qualifying tangible personal property.

(2) The exemption under subsection (1) applies only to machinery or equipment obtained for use primarily at the qualifying part of the manufacturing site.

(3) The exemption under subsection (1) does not apply to

(a) machinery or equipment, including transformers, pipes, valves, fittings, pumps, compressors and regulators, obtained for use in relation to the transmission or distribution of tangible personal property, or

(b) machinery or equipment obtained for use in relation to the transmission or distribution of Part 4 software.

[am. B.C. Reg. 216/2013, App. 1, s. 20.]

Software development

93 (1) Subject to subsections (2) and (3), the following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by a software developer:

(a) machinery or equipment obtained for use in British Columbia primarily and directly in the development of qualifying software;

(b) machinery or equipment obtained for use in British Columbia primarily and directly in the manufacture of tangible personal property for use in British Columbia in the development of qualifying software.

(2) The exemption under subsection (1) applies only to machinery or equipment obtained for use primarily at the software development site.

(3) The exemption under subsection (1) does not apply to machinery or equipment obtained for use in relation to the transmission or distribution of Part 4 software or tangible personal property.

[am. B.C. Reg. 216/2013, App. 1, s. 20.]

Exploration for, discovery of or development of petroleum or natural gas

94 (1) Subject to subsections (2) and (3), machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the machinery or equipment is obtained

(a) by a person who, for commercial purposes, regularly engages in the exploration for, discovery of or development of petroleum or natural gas, and

(b) for use substantially in the exploration for, discovery of or development of petroleum or natural gas.

(2) The exemption under subsection (1) applies only to the following machinery or equipment:

(a) drilling rigs, including the following machinery or equipment that is part of a drilling rig:

(i) derricks;

(ii) substructures and foundations;

(iii) circulating systems;

(iv) pumps;

(v) cement equipment;

(vi) engines or power plants;

(b) truck-mounted service rigs;

(c) portable doghouses, portable winches and portable pickers;

(d) boilers and steamers, required for heating blowout preventers;

(e) parts of a pump truck, including

(i) pumps, tanks, lines, pipes, controls, manifolds, drop boxes, mixing hoppers and valves, and

(ii) engines and transmissions;

(f) hardware obtained for use during the drilling process, including drill bits, drill collars, drill pipes, blowout preventers, casing, tubing, fittings, couplings and thread protectors;

(g) machinery or equipment obtained for use in well logging and drill stem testing, including instrumentation;

(g.1) machinery or equipment obtained for use in hydraulic fracturing during the development of petroleum or natural gas, including hydration units or trailers, proppant blenders and fracturing pumps;

(h) machinery or equipment obtained for use during the production testing phase, including separator vessels, dehydrators and heaters, pressure piping systems and appurtenances, flare stacks, pumps and motors;

(i) shelters obtained for use substantially as protective coverings for machinery or equipment referred to in any of paragraphs (a) to (h);

(j) support mats obtained for use substantially to support machinery or equipment referred to in any of paragraphs (a) to (i) while the machinery or equipment is stationary.

(3) The exemption under subsection (1) does not apply to automotive units on which machinery or equipment, other than truck-mounted service rigs, referred to in subsection (2), is transported.

[am. B.C. Reg. 90/2015, s. 4.]

Extraction or processing of petroleum or natural gas

95 (1) Subject to subsections (2) and (3), the following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by an oil and gas producer:

(a) machinery or equipment obtained for use in British Columbia primarily and directly in the extraction or processing of qualifying petroleum or natural gas;

(b) machinery or equipment obtained for use in British Columbia primarily and directly in

(i) the manufacture of tangible personal property, or

(ii) the development of Part 4 software

for use in British Columbia in the extraction or processing of qualifying petroleum or natural gas.

(2) The exemption under subsection (1) applies only to machinery or equipment obtained for use primarily at the well site or at the qualifying part of the processing plant or refinery.

(3) The exemption under subsection (1) does not apply to

(a) machinery or equipment, including transformers, pipes, valves, fittings, pumps, compressors and regulators, obtained for use in relation to the transmission or distribution of tangible personal property, or

(b) machinery or equipment obtained for use in relation to the transmission or distribution of Part 4 software.

(4) Generators to be located primarily at a well site are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the generators are obtained

(a) by an oil and gas producer, and

(b) for use in relation to the extraction or processing of qualifying petroleum or natural gas.

[am. B.C. Reg. 216/2013, App. 1, s. 20.]

Exploration for minerals or development of mines

96 (1) Subject to subsection (2), machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the machinery or equipment is obtained by a person who, for commercial purposes, regularly engages in the exploration for minerals or the development of mines and that machinery or equipment is

(a) obtained for use substantially and directly in the exploration for minerals or the development of mines,

(b) a generator or motor for use substantially and directly to operate machinery or equipment for the use referred to in paragraph (a) of this subsection, or

(c) safety equipment, a pump, ventilating equipment or a compressor obtained for use substantially in the exploration for minerals or the development of mines.

(2) The exemption under subsection (1) does not apply to cement trucks.

[am. B.C. Reg. 216/2013, App. 1, s. 21.]

Extraction or processing of minerals

97 (1) Subject to subsections (2) and (3), the following are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained by a mine operator:

(a) machinery or equipment obtained for use in British Columbia primarily and directly in the extraction or processing of qualifying minerals;

(b) machinery or equipment obtained for use in British Columbia primarily and directly in

(i) the manufacture of tangible personal property, or

(ii) the development of Part 4 software

for use in British Columbia in the extraction or processing of qualifying minerals.

(2) The exemption under subsection (1) applies only to machinery or equipment obtained for use primarily at the qualifying part of the mine site.

(3) The exemption under subsection (1) does not apply to

(a) machinery or equipment, including transformers, pipes, valves, fittings, pumps, compressors and regulators, obtained for use in relation to the transmission or distribution of tangible personal property, or

(b) machinery or equipment obtained for use in relation to the transmission or distribution of Part 4 software.

[am. B.C. Reg. 216/2013, App. 1, s. 20.]

Geophysical surveying

98 (1) Subject to subsection (2), machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the machinery or equipment is obtained

(a) by a person who, for commercial purposes, regularly engages in the exploration for petroleum, natural gas or minerals or the development of petroleum, natural gas or mineral deposits, and

(b) for use substantially in the exploration for petroleum, natural gas or minerals or the development of petroleum, natural gas or mineral deposits.

(2) The exemption under subsection (1) applies only to the following machinery or equipment:

(a) magnetometers, gradiometers and magnetic susceptibility meters;

(b) gravity meters and other instruments designed to measure the elements, variations and distortions of the natural gravitational force;

(c) field potentiometers, meggers, non-polarizing electrodes and electrical equipment for making measurements in drill holes;

(d) equipment for electrical or electromagnetic surveying, including self-potential meters, resistivity survey equipment, time and frequency domain-induced polarization equipment, time and frequency electromagnetic surveying equipment and inductive conductivity probes;

(e) ground-penetrating radar equipment and side-looking aperture radar;

(f) equipment for remote sensing, including

(i) ultraviolet lamps, and

(ii) reflectance, infrared and hyperspectral spectrometers;

(g) instruments or equipment for seismic prospecting, including the recording system, seismic instrumentation, geophones, cables, data processing units, global positioning and navigation systems, recorder box, blasting system, blaster and controller, seismic drilling equipment, heli-drills, enviro-drills, vibrators and integrated navigation systems;

(h) scintillometers, spectral gamma-gamma density and Geiger-Muller counters, gamma-ray spectrometers, potassium gradiometers and other instruments for radioactive methods of geophysical prospecting;

(i) acoustical survey equipment, including sonar, side-scanning sonar and full wave form sonic loggers;

(j) electrical amplifying devices, electronic amplifying devices and electrical thermostats, designed for use with any of the machinery or equipment described in paragraphs (a) to (i).

Pollution control

99 Machinery or equipment obtained for use substantially and directly in the detection, prevention, measurement, treatment, reduction or removal of pollutants in water, soil or air is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the pollutants are attributable to

(i) the manufacture of tangible personal property, or

(ii) the extraction or processing of petroleum, natural gas or minerals, and

(b) the machinery or equipment is obtained by a qualifying person.

(c) Repealed. [B.C. Reg. 242/2020, s. 1 (c).]

[am. B.C. Reg. 242/2020, s. 1.]

Waste management

100 (1) In this section, **"waste gas machinery or equipment"** means pipes, valves, fittings, pumps, compressors and regulators, and other related machinery or equipment, obtained for use solely to transmit

(a) within a natural gas processing plant, or

(b) from a natural gas processing plant to a disposal well

waste gas composed primarily of hydrogen sulphide and carbon dioxide for use solely to inject the gas into the disposal well for permanent disposal.

(2) Waste gas machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the waste gas machinery or equipment is obtained by an oil and gas producer.

(3) Machinery or equipment obtained for use in British Columbia substantially and directly

(a) in carrying refuse or waste from machinery or equipment that is exempt under

(i) section 92 *[manufacturing]*,

(ii) section 95 *[extraction or processing of petroleum or natural gas]*, or

(iii) section 97 *[extraction or processing of minerals]*, or

(b) for exhausting dust or noxious fumes from machinery or equipment referred to in paragraph (a)

is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(c) the refuse, waste, dust or noxious fumes are attributable to the manufacture of tangible personal property or the extraction or processing of petroleum, natural gas or minerals, and

(d) the machinery or equipment is obtained by a qualifying person.

(e) Repealed. [B.C. Reg. 242/2020, s. 2 (c).]

[am. B.C. Reg. 242/2020, s. 2.]

Transmission or distribution of tangible personal property, a clean energy resource or software

101 (1) Machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the machinery or equipment is obtained by a manufacturer for use in British Columbia primarily and directly in the transmission or distribution of tangible personal property or Part 4 software at the qualifying part of the manufacturer's manufacturing site,

(b) the tangible personal property or Part 4 software to be transmitted or distributed is primarily

(i) qualifying tangible personal property,

(ii) tangible personal property or Part 4 software that is to be attached to or processed, fabricated, manufactured or incorporated into qualifying tangible personal property, or

(iii) tangible personal property or Part 4 software that is to be attached to or processed, fabricated, manufactured or incorporated into tangible personal property or Part 4 software for use in the manufacture of qualifying tangible personal property, and

(c) the machinery or equipment is obtained for use primarily at the qualifying part of the manufacturing site.

(1.1) Machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the machinery or equipment is obtained by a manufacturer for use in British Columbia primarily and directly in the transmission or distribution of a clean energy resource at the qualifying part of the manufacturer's manufacturing site,

(b) the clean energy resource to be transmitted or distributed is primarily for use as an input in the generation of energy, and

(c) the machinery or equipment is obtained for use primarily at the qualifying part of the manufacturing site.

(2) Machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the machinery or equipment is obtained by a software developer for use in British Columbia primarily and directly in the transmission or distribution

of tangible personal property or Part 4 software at the software developer's software development site,

(b) the tangible personal property or Part 4 software to be transmitted or distributed is primarily

(i) qualifying software,

(ii) Part 4 software that is to be attached to or processed, fabricated, manufactured or incorporated into qualifying software, or

(iii) tangible personal property or Part 4 software that is to be attached to or processed, fabricated, manufactured or incorporated into tangible personal property or Part 4 software for use in the development of qualifying software, and

(c) the machinery or equipment is obtained for use primarily at the software development site.

(3) Machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the machinery or equipment is obtained by an oil and gas producer or mine operator for use in British Columbia primarily and directly in the transmission or distribution of tangible personal property or Part 4 software at the oil and gas producer's well site, the qualifying part of the oil and gas producer's processing plant or refinery or the qualifying part of the mine operator's mine site,

(b) the tangible personal property or Part 4 software to be transmitted or distributed is primarily, as applicable,

(i) qualifying petroleum or natural gas or qualifying minerals,

(ii) tangible personal property that is to be attached to or processed, fabricated, manufactured or incorporated into qualifying petroleum or natural gas or qualifying minerals, or

(iii) tangible personal property or Part 4 software that is to be attached to or processed, fabricated, manufactured or incorporated into tangible personal property or Part 4 software for use in the extraction or processing of qualifying petroleum or natural gas or qualifying minerals, and

(c) the machinery or equipment is obtained for use primarily at the well site, the qualifying part of the processing plant or refinery or the qualifying part of the mine site.

[am. B.C. Regs. 216/2013, App. 1, s. 20; 134/2024, Sch. 2, s. 2.]

Electrical machinery or equipment

102 (1) In this section, **"electrical machinery or equipment"** means

(a) transformers, and

(b) converters, inverters, regulators, breakers and switches, designed for use with transformers.

(2) Electrical machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the electrical machinery or equipment is obtained by a manufacturer of qualifying tangible personal property, other than electricity, for use in British Columbia substantially in the transmission or distribution of electricity at or to the qualifying part of the manufacturer's manufacturing site,

(b) the electricity is for use

(i) primarily and integrally in the manufacture of qualifying tangible personal property, or

(ii) primarily to power machinery or equipment that is exempt under the following provisions of this regulation:

(A) section 92 *[manufacturing]*;

(B) section 99 *[pollution control]*;

(C) section 100 *[waste management]*;

(D) section 101 *[transmission or distribution of tangible personal property or software]*;

(E) section 111 *[machinery or equipment to operate, control or monitor qualifying machinery or equipment]*, and

(c) the electrical machinery or equipment is to be situated at the manufacturing site.

(3) Electrical machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the electrical machinery or equipment is obtained by a software developer for use in British Columbia substantially in the transmission or distribution of electricity at or to the software developer's software development site,

(b) the electricity is for use

(i) primarily and integrally in the development of qualifying software, or

(ii) primarily to power machinery or equipment that is exempt under the following provisions of this regulation:

(A) section 93 *[software development]*;

(B) section 101 *[transmission or distribution of tangible personal property or software]*;

(C) section 111 *[machinery or equipment to operate, control or monitor qualifying machinery or equipment]*, and

(c) the electrical machinery or equipment is to be situated at the software development site.

(4) Electrical machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the electrical machinery or equipment is obtained by an oil and gas producer or mine operator for use in British Columbia substantially in the transmission or distribution of electricity at or to the oil and gas producer's well site, the qualifying part of the oil and gas producer's processing plant or refinery or the qualifying part of the mine operator's mine site,

(b) the electricity is for use

(i) primarily and integrally in the extraction or processing of qualifying petroleum or natural gas or qualifying minerals, or

(ii) primarily to power machinery or equipment that is exempt under the following provisions of this regulation:

(A) section 95 *[extraction or processing of petroleum or natural gas]*;

(B) section 97 *[extraction or processing of minerals]*;

(C) section 99 *[pollution control]*;

(D) section 100 *[waste management]*;

(E) section 101 *[transmission or distribution of tangible personal property or software]*;

(F) section 111 *[machinery or equipment to operate, control or monitor qualifying machinery or equipment]*, and

(c) the electrical machinery or equipment is to be situated at the well site, processing plant, refinery or mine site.

[am. B.C. Reg. 216/2013, App. 1, s. 22.]

Service providers

103 (1) In this section, **"service"** does not include a taxable service other than a related service.

(2) Machinery or equipment obtained by a person who provides a service to a manufacturer is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the service consists of manufacturing in British Columbia tangible personal property for the manufacturer and is provided to, or results in the creation of, tangible personal property that is to be, or is to be attached to or processed, fabricated, manufactured or incorporated into, the manufacturer's qualifying tangible personal property,

(b) the machinery or equipment is obtained for use primarily and directly in providing the service,

(c) the service is provided primarily at the qualifying part of

(i) the manufacturer's manufacturing site, or

(ii) the service provider's manufacturing site, and

(d) there is a reasonable expectation that the total value of sales of services, provided to manufacturers, that meet the requirements of paragraphs (a) to (c) will exceed $30 000 per year.

(3) Machinery or equipment obtained by a person who provides a service to an oil and gas producer or mine operator is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the service

(i) consists of manufacturing in British Columbia tangible personal property for the oil and gas producer or mine operator and is provided to, or results in the creation of, tangible personal property that is to be attached to or processed, fabricated, manufactured or incorporated into the oil and gas producer's qualifying petroleum or natural gas or the mine operator's qualifying minerals, or

(ii) consists of extracting or processing for the oil and gas producer or mine operator petroleum, natural gas or minerals in British Columbia that are to be, or are to be attached to or processed, fabricated, manufactured or incorporated into, the oil and gas producer's qualifying petroleum or natural gas or the mine operator's qualifying minerals,

(b) the machinery or equipment is obtained for use primarily and directly in providing the service,

(c) the service is provided primarily at

(i) the well site or qualifying part of the oil and gas producer's processing plant or refinery or the qualifying part of the mine operator's mine site, or

(ii) the qualifying part of the service provider's manufacturing site, processing plant, refinery or mine site, and

(d) there is a reasonable expectation that the total value of sales of services, provided to oil and gas producers or mine operators, as applicable, that meet the requirements of paragraphs (a) to (c) will exceed $30 000 per year.

[am. B.C. Reg. 216/2013, App. 1, s. 20.]

Logging

104 (1) In this section, **"skidway"** does not include a road or landing.

(2) Machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the machinery or equipment is obtained by a person who, for commercial purposes, regularly engages in logging and that machinery or equipment is obtained

(a) for use in logging substantially for

(i) felling or bucking trees,

(ii) removing logs from the stump and depositing the logs in a landing or other first accumulation point,

(iii) loading, unloading, sorting, storing or processing trees or logs at landings, log dumps, sort yards, dry land sorts, booming grounds or mill yards, or

(iv) developing skidways, or

(b) for use substantially on a vessel and substantially for

(i) launching or recovering, in relation to underwater logging operations, machinery or equipment that is exempt under paragraph (a) (i) of this subsection, or

(ii) producing, regulating, transmitting or distributing electricity to operate, in underwater logging operations, machinery or equipment that is exempt under this section.

Local government power generation

105 (1) Subject to subsections (3) and (4), machinery or equipment obtained for use in British Columbia is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the machinery or equipment is obtained by a local government body or local government corporation for use primarily and directly

(a) to generate electricity,

(b) to generate, at a cogeneration plant, electricity and heat, or

(c) in the manufacture of tangible personal property for a use described in paragraph (a) or (b) of this subsection.

(2) Subject to subsections (3) and (4), machinery or equipment that is obtained by a local government body or local government corporation for use primarily and directly in the transmission or distribution of tangible personal property at a manufacturing site, at which electricity, or electricity and heat, referred to in subsection (1) is generated, is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the tangible personal property transmitted or distributed is primarily

(a) electricity, referred to in subsection (1) (a), generated by the local government body or local government corporation,

(b) electricity and heat, referred to in subsection (1) (b), generated by the local government body or local government corporation at a cogeneration plant,

(c) tangible personal property that is for use as an input in the generation of electricity, referred to in subsection (1) (a), or the generation of electricity and heat, referred to in subsection (1) (b), at a cogeneration plant, or

(d) tangible personal property that is to be attached to or processed, fabricated, manufactured or incorporated into tangible personal property for use as an input in the generation of electricity, referred to in subsection (1) (a), or the

generation of electricity and heat, referred to in subsection (1) (b), at a cogeneration plant.

(3) The exemptions under subsections (1) and (2) apply only to machinery or equipment that is obtained for use primarily at the manufacturing site, at which the electricity, or electricity and heat, referred to in subsection (1) is generated, from the point at which tangible personal property or a power source that is an input in the generation is received to the point at which the electricity, or electricity and heat, is first stored or first available for use, whichever occurs first.

(4) The exemptions under subsections (1) and (2) apply to a local government body or local government corporation only if the generation referred to in subsection (1) is for one of the following purposes:

(a) for sale, if the local government body or local government corporation has a reasonable expectation that the total value of sales will exceed $30 000 per year;

(b) for its own use, if the local government body or local government corporation has a reasonable expectation that the total manufacturing cost of the electricity, or electricity and heat, will exceed $30 000 per year;

(c) for both a purpose referred to in paragraph (a) and a purpose referred to in paragraph (b), if the local government body or local government corporation has a reasonable expectation that the total manufacturing cost of the electricity, or electricity and heat, will exceed $30 000 per year.

[am. B.C. Reg. 216/2013, App. 1, s. 20.]

Vehicle-mounted machinery or equipment

106 A vehicle on which is mounted machinery or equipment that would be exempt under this Division if the machinery or equipment were obtained separately from the vehicle is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, in respect of the portion of the purchase price or lease price of the vehicle that can reasonably be attributed to that machinery or equipment.

Division 3 – Related Exemptions

Definitions

107 (1) In this Division:

"excluded affixed machinery" means machinery or equipment

(a) that is described in paragraph (a), (b) or (c) of the definition of "affixed machinery" in section 1 *[definitions]* of the Act, and

(b) that, if the machinery or equipment were not described in any of those provisions, would be affixed machinery;

"exempt machinery or equipment" means

(a) machinery or equipment, or

(b) assembled machinery or equipment referred to in section 108 *[parts and materials]*

that would be exempt under Division 2 of this Part if the machinery or equipment or assembled machinery or equipment were obtained on the relevant date as set out in subsection (2);

"modify", in respect of qualifying machinery or equipment, means to facilitate or enhance the performance by the qualifying machinery or equipment of the function that the qualifying machinery or equipment performs in relation to the use that qualifies it as qualifying machinery or equipment;

"qualifying machinery or equipment" means machinery or equipment

(a) that is owned or leased by a qualifying person, and

(b) that is

(i) exempt machinery or equipment, or

(ii) excluded affixed machinery that would be exempt machinery or equipment if it were affixed machinery;

"qualifying person" means a person who is entitled to obtain machinery or equipment exempt under Division 2 of this Part from tax imposed under the Act.

(2) For the purposes of this Division, the relevant date, referred to in the definition of "exempt machinery or equipment" in subsection (1), in respect of qualifying machinery or equipment referred to

(a) in section 108 (1) *[parts and materials]* is the date on which the parts or materials referred to in that provision in relation to the qualifying machinery or equipment are obtained,

(b) in section 109 (1) *[tangible personal property for use in providing services]* is the date on which the tangible personal property referred to in that provision in relation to the qualifying machinery or equipment is obtained,

(c) in section 111 *[machinery or equipment to operate, control or monitor qualifying machinery or equipment]* is the date on which the machinery or equipment referred to in that provision in relation to the qualifying machinery or equipment is obtained,

(d) in section 112 (2) *[software related to qualifying machinery or equipment]* is the date on which the software referred to in that provision in relation to the qualifying machinery or equipment is obtained, or

(e) in section 113 *[services related to qualifying machinery or equipment]* is the date on which the related service referred to in that provision in relation to the qualifying machinery or equipment is provided.

[am. B.C. Reg. 120/2013, s. 3.]

Parts and materials

108 (1) Parts obtained by a qualifying person for use on qualifying machinery or equipment, or materials obtained by a qualifying person to repair, maintain or

modify qualifying machinery or equipment, are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the parts or materials remain part of, or attached to, the qualifying machinery or equipment after, as applicable,

(a) the use of the parts or materials on the qualifying machinery or equipment, or

(b) the repair, maintenance or modification of the qualifying machinery or equipment.

(2) Parts or materials obtained by a qualifying person to assemble machinery or equipment that would be qualifying machinery or equipment under Division 2 of this Part, if the assembled machinery or equipment were obtained by the qualifying person on the date on which the parts or materials are obtained, are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the parts or materials remain part of, or attached to, the assembled machinery or equipment after assembly.

(3) Parts or materials obtained by a qualifying person to assemble a part that would be exempt under subsection (2) of this section, if the assembled part were obtained by the qualifying person on the date on which the parts or materials are obtained, are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the parts or materials obtained remain part of, or attached to, the assembled part after assembly.

Tangible personal property for use in providing services

109 (1) Subject to subsection (2), tangible personal property is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if

(a) the tangible personal property is obtained for use in British Columbia in the course of providing a service in relation to qualifying machinery or equipment,

(b) the tangible personal property is to remain part of, or attached to, the qualifying machinery or equipment after the service has been provided,

(c) either

(i) the service provided to the qualifying machinery or equipment is a related service, or

(ii) the qualifying machinery or equipment is excluded affixed machinery and the service provided to the qualifying machinery or equipment would be a related service if the qualifying machinery or equipment were affixed machinery, and

(d) the qualifying machinery or equipment is owned or leased by a qualifying person.

(2) The exemption under subsection (1) does not apply to

(a) tangible personal property, other than electricity used in an electrolytic process, obtained for use to produce energy or for use as a source of energy, or

(b) tangible personal property, if the service provider is to retain an interest in that tangible personal property after it has been made part of, or attached to, the qualifying machinery or equipment.

(3) Parts or materials obtained by a person providing a service referred to in subsection (1) of this section to assemble tangible personal property that would be exempt under that subsection, if the assembled tangible personal property were obtained by that person at the time the parts and materials are obtained, are exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the parts or materials remain part of, or attached to, the assembled tangible personal property after assembly.

Exclusions from exemptions under sections 108 and 109

110 Despite sections 108 *[parts and materials]* and 109 *[tangible personal property for use in providing services]*, the following are not exempt under those sections:

(a) gases, liquids or consumable solids;

(b) tangible personal property obtained for use primarily for repairing, maintaining, modifying, assembling or making

(i) bases or foundations, that are or become a part of real property, for qualifying machinery or equipment, or

(ii) scaffolding, walkways, catwalks or similar items, unless such items

(A) are an integral part of the applicable qualifying machinery or equipment, and

(B) were obtained by the qualifying person as part of the applicable qualifying machinery or equipment.

Machinery or equipment to operate, control or monitor qualifying machinery or equipment

111 Machinery or equipment obtained by a qualifying person for use primarily to operate, control or monitor qualifying machinery or equipment is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if the machinery or equipment is for use substantially at the applicable well site or the qualifying part of the applicable manufacturing site, processing plant, refinery or mine site.

Software related to qualifying machinery or equipment

112 (1) Subject to subsection (2), software is exempt from tax imposed under

(a) Part 3 of the Act, other than Division 9 of that Part, or

(b) Part 4 of the Act, other than section 109 of that Part.

(2) The exemption under subsection (1) applies only to software obtained by a qualifying person for use

(a) primarily to operate, control or monitor qualifying machinery or equipment, or

(b) to operate particular machinery or equipment for use primarily to operate, control or monitor qualifying machinery or equipment, if the particular machinery or equipment is for use substantially at the applicable well site or the qualifying part of the applicable manufacturing site, processing plant, refinery or mine site.

Services related to qualifying machinery or equipment

113 A related service provided in relation to qualifying machinery or equipment is exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part, if the related service is purchased by a qualifying person.

Division 4 – Exclusions from Exemptions

Tangible personal property excluded from exemptions under Divisions 2 and 3

114 Despite Divisions 2 and 3 of this Part, the following are not exempt under those Divisions:

(a) buildings, furnishings, camp equipment or machinery or equipment related to the use of a building as a building, other than shelters that are exempt under section 94 (2) (i) *[shelters for machinery or equipment for petroleum or natural gas exploration, discovery or development]*;

(b) logging trucks, well-servicing trucks or any other vehicles designed to be ordinarily used on a public highway, other than

(i) truck-mounted service rigs that are exempt under section 94 (2) (b) *[truck-mounted service rigs for petroleum or natural gas exploration, discovery or development]*, or

(ii) bulldozers, backhoes and excavators that are exempt under section 96 *[exploration for minerals or development of mines]*;

(c) vessels, other than

(i) boom boats obtained by a person described in section 104 (2) *[logging]* for use substantially for one or more of the purposes described in paragraph (a) (iii) of that section, or

(ii) vessels obtained by a person described in section 104 (2) for use substantially in underwater logging operations to carry machinery or equipment that is exempt under that section for use for one or more of the purposes set out in paragraph (a) (i) or (ii) or (b) of that section;

(d) railway rolling stock, locomotive engines and non-turbine aircraft;

(e) portable or mobile electric generators and portable or mobile electric alternators, including drive motors for them, portable or mobile generator and alternator sets, stand-by electric generators and stand-by electric alter-

nators, including drive motors for them, and stand-by generator and stand-by alternator sets, other than machinery or equipment that is exempt under

(i) section 95 (4) *[generators at well site]*,

(ii) section 96 (1) (b) *[generator or motor for exploration for minerals or development of mines]*, or

(iii) section 104 (2) (b) (ii) *[electrical equipment for underwater logging operations]*;

(f) the following machinery or equipment, other than machinery or equipment that is exempt under section 100 (2) *[waste gas machinery or equipment]*:

(i) machinery or equipment obtained for use in transporting or distributing petroleum or natural gas from a well site to a processing plant or refinery or between processing plants or refineries, or in transporting a marketable product, including pipes, valves, fittings, pumps, compressors and regulators;

(ii) machinery or equipment ancillary to the machinery or equipment referred to in subparagraph (i) of this paragraph;

(g) bases and foundations that become a part of real property;

(h) scaffolding, walkways, catwalks and similar items, unless such items

(i) are an integral part of tangible personal property that is exempt under this Part, and

(ii) are obtained as a part of that tangible personal property;

(i) office machinery or equipment, other than machinery or equipment that is exempt under section 93 *[software development]* or 111 *[machinery or equipment to operate, control or monitor qualifying machinery or equipment]*;

(j) to (j.2) Repealed. [B.C. Reg. 90/2015, s. 5 (b).]

(k) software, other than software that is exempt under section 112 *[software related to qualifying machinery or equipment]*;

(l) pallets and other packaging-related or transportation-related machinery or equipment, unless the machinery or equipment is

(i) obtained for use primarily in the transportation of tangible personal property within a well site or software development site or within the qualifying part of a manufacturing site, processing plant, refinery or mine site, and

(ii) intended to remain at the well site or software development site or the qualifying part of the manufacturing site, processing plant, refinery or mine site.

[am. B.C. Regs. 216/2013, App. 1, s. 23; 90/2015, s. 5.]

Persons excluded from exemptions under Divisions 2 and 3

115 (1) In this section:

"food product" does not include liquor, other than an alcohol-containing food product;

"qualifying Crown corporation" means any of the following:

(a) the British Columbia Hydro and Power Authority;

(b) the British Columbia Railway Company;

(c) the Columbia Power Corporation;

(d) the Insurance Corporation of British Columbia.

(2) Despite Divisions 2 and 3 of this Part, tangible personal property and software obtained, and related services purchased, by the following are not exempt under those Divisions:

(a) a person who is a caterer, if the person obtains the tangible personal property or software or purchases the related services in the person's capacity as a caterer;

(b) a restaurateur or other person who obtains the tangible personal property or software or purchases the related services in relation to the person's preparation of food products for retail sale on the premises where the food products are prepared, unless the retail sales of those food products comprise less than 10% of the restaurateur's or other person's total sales of food products;

(c) the government and its agents, including agencies, boards and commissions, other than qualifying Crown corporations;

(d) except as provided for in section 105 *[local government power generation]*, a local government body or local government corporation;

(e) a corporation, other than a qualifying Crown corporation, whose taxable income, determined for the purposes of the *Income Tax Act* (Canada), is exempt from tax imposed under section 149 (1) (d) to (d.4) of that Act;

(f) schools, school boards and universities, including business, trade and vocational schools;

(g) hospitals;

(h) regional health boards and community health councils designated under the *Health Authorities Act*.

[am. B.C. Reg. 76/2016, Sch. 2, s. 5.]

Division 5 – Prescribed Provisions and Evidence Relating to Production Machinery and Equipment

Definition

116 In this Division, **"tangible personal property exemption provisions"** means the provisions in Divisions 2 and 3 of this Part, other than section 113 *[services related to qualifying machinery or equipment]*.

Provisions prescribed for purposes of sections 89 (2), 90 (4), 99 (6) and 112 (2) of Act

117 (1) The tangible personal property exemption provisions are prescribed for the purposes of the following provisions of the Act:

(a) section 89 (2) *[tax on acquisition of eligible tangible personal property]*;

(b) section 90 (4) *[tax on eligible tangible personal property brought into British Columbia]*;

(c) section 99 (6) *[tax on acquisition of exclusive product by independent sales contractor]*.

(2) Section 112 *[software related to qualifying machinery or equipment]* of this regulation is prescribed for the purposes of section 112 (2) *[tax on purchase of software by small seller]* of the Act.

Provisions prescribed for purposes of section 145 of Act

118 (1) The tangible personal property exemption provisions are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(2) Section 112 *[software related to qualifying machinery or equipment]* of this regulation is prescribed for the purposes of section 145 (1) (b) *[provisions providing exemptions in relation to software]* of the Act.

(3) Section 113 *[services related to qualifying machinery or equipment]* of this regulation is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

Declarations required under section 145 of Act

119 (1) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that

(a) tangible personal property is exempt under any of the tangible personal property exemption provisions, or

(b) Part 4 software is exempt under section 112 *[software related to qualifying machinery or equipment]* of this regulation,

the collector is required to obtain a declaration in a form specified by the director.

(2) For the purposes of section 145 (2) (a) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act, in relation to a person who alleges that a related service is exempt under section 113 *[services related to qualifying machinery or equipment]* of this regulation, the collector is required to obtain a declaration in a form specified by the director.

[am. B.C. Reg. 137/2024, App. 3, s. 1.]

Declaration required under section 30 (7) (a) of Act

120 For the purposes of section 30 (7) (a) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under any of the tangible personal property exemption provisions, the Insurance Corporation of British Columbia is required to obtain a declaration in a form acceptable to the director.

Division 6 – Refund for Production Machinery and Equipment

Construction or maintenance of road for mine site

120.1 (1) If the director is satisfied that

(a) a person obtained machinery or equipment, other than by leasing the machinery or equipment as a lessee, and paid tax imposed under Part 3 of the Act, other than Division 9 of that Part, in respect of the machinery or equipment,

(b) the person, for commercial purposes, regularly engages in the exploration for minerals or the development of mines,

(c) the machinery or equipment was obtained for use substantially and directly for the construction or maintenance of a road within what became the qualifying part of a mine site as a result of the development of a mine, and

(d) the machinery or equipment would have been exempt under section 96 or 97 of this regulation if what became the qualifying part of a mine site had been a qualifying part of a mine site when the person obtained the machinery or equipment,

the director must refund to the person the amount of tax paid in respect of the machinery or equipment.

(2) Subsection (1) does not apply if, within 15 days after the date of purchase or the entry date of the machinery or equipment, the machinery or equipment is used, or allowed to be used, other than substantially and directly for the construction or maintenance of a road within what became the qualifying part of a mine site as a result of the development of a mine.

(3) If a person

(a) receives a refund under subsection (1) in respect of machinery or equipment, and

(b) subsequently uses the machinery or equipment, or allows the machinery or equipment to be used, for a purpose other than for use substantially and directly for the construction or maintenance of a road within what became the qualifying part of a mine site as a result of the development of a mine,

the person must repay to the government an amount equal to the tax that would have been payable under section 82 *[tax if property used for new purpose]* of the Act as if the tax were payable under that section in respect of the use of the machinery or equipment, or the allowed use of the machinery or equipment, referred to in paragraph (b) of this subsection.

(4) Subsection (3) does not apply if the person subsequently uses the machinery or equipment, or allows the machinery or equipment to be used, for a purpose for which that machinery or equipment would be exempt from tax under the Act if that machinery or equipment were to be used for that purpose.

[en. B.C. Reg. 117/2014, Sch. 4, s. 5.]

Machinery or equipment leased for construction or maintenance of road for mine site

120.2 (1) If the director is satisfied that

(a) a person leased machinery or equipment as a lessee and, in relation to a rental period under the lease, paid tax imposed under Part 3 of the Act, other than Division 9 of that Part, in respect of the machinery or equipment,

(b) the person, for commercial purposes, regularly engages in the exploration for minerals or the development of mines,

(c) at the time the lease was entered into the machinery or equipment was leased for use substantially and directly for the construction or maintenance of a road within what became the qualifying part of a mine site as a result of the development of a mine, and

(d) the person has not, before the end of the rental period, used that machinery or equipment, or allowed that machinery or equipment to be used, for a purpose other than

(i) the particular purpose referred to in paragraph (c) of this subsection,

(ii) for use substantially and directly for the construction or maintenance of a road in the qualifying part of a mine site, or

(iii) another purpose for which that machinery or equipment would be exempt under section 96 or 97 of this regulation,

the director must refund to the person the amount of tax paid in relation to the rental period under the lease.

[en. B.C. Reg. 117/2014, Sch. 4, s. 5.]

PART 5.1 – SPECIFIED MAJOR PROJECTS

Division 1 – Definitions

Definitions and interpretation

120.3 In this Part:

"cut-off date", in relation to a project, means the cut-off date specified in Schedule 6 for the project;

"primarily" means more than 50%;

"project" means a project specified in Schedule 6.

[en. B.C. Reg. 196/2018, s. 1.]

Division 2 – Exemptions

Tangible personal property for use in project

120.4 (1) Tangible personal property is exempt from tax imposed under Part 3 of the Act, other than Division 9 of that Part, if obtained

(a) before the cut-off date for a project, and

(b) for use primarily for the purposes of the project during the period that

(i) begins on the date the tangible personal property is obtained for that purpose, and

(ii) ends on the earliest of the following dates, as applicable:

(A) the cut-off date for the project;

(B) the date that is 2 years after the date referred to in subparagraph (i);

(C) the date on which the tangible personal property is sold or otherwise disposed of;

(D) if the tangible personal property was obtained under a lease, the date on which the lessee ceases to lease the tangible personal property.

(2) Tangible personal property is exempt from tax imposed under Division 9 of Part 3 of the Act if obtained and used as set out in subsection (1) (a) and (b) of this section.

[en. B.C. Reg. 196/2018, s. 1.]

Software

120.41 (1) In this section, **"qualifying infrastructure"**, in relation to a project, means qualifying infrastructure specified in Schedule 6 for the project.

(2) Subject to subsection (3), software is exempt from tax imposed under

(a) Part 3 of the Act, other than Division 9 of that Part, or

(b) Part 4 of the Act, other than section 109 of that Part.

(3) The exemption under subsection (2) applies only to software obtained, before the cut-off date for a project, for use

(a) primarily to operate, control or monitor qualifying infrastructure for the project, or

(b) to operate particular machinery or equipment for use primarily to operate, control or monitor qualifying infrastructure for the project.

[en. B.C. Reg. 196/2018, s. 1.]

Services

120.42 A related service provided, before the cut-off date for a project, in relation to tangible personal property that is exempt under section 120.4 of this regulation in relation to the project is exempt from tax imposed under Division 2 of Part 5 of the Act, other than section 120.1 of that Part.

[en. B.C. Reg. 196/2018, s. 1.]

Electricity

120.43 (1) In this section, **"qualifying worksite"**, in relation to a project, means a qualifying worksite specified in Schedule 6 for the project.

(2) Electricity is exempt from tax imposed under Part 3 of the Act if the seller provides, before the cut-off date for a project, the electricity through a meter that services only a qualifying worksite.

[en. B.C. Reg. 196/2018, s. 1.]

Division 3 – Exclusions from Exemptions

Tangible personal property excluded from exemptions under Division 2

120.5 Despite Division 2 of this Part, the following are not exempt under that Division:

(a) vehicles designed to be ordinarily used on a public highway, other than bulldozers, backhoes and excavators that are exempt under section 120.4 *[tangible personal property for use in project]*;

(b) railway rolling stock, locomotive engines and non-turbine aircraft;

(c) software, other than software that is exempt under section 120.41 *[software]*;

(d) electricity, other than electricity that is exempt under section 120.43 *[electricity]*.

[en. B.C. Reg. 196/2018, s. 1.]

Division 4 – Prescribed Provisions

Definition

120.6 In this Division, **"tangible personal property exemption provisions"** means the provisions in Division 2 of this Part, other than section 120.42 *[services]*.

[en. B.C. Reg. 196/2018, s. 1.]

Provisions prescribed for purposes of sections 89 (2), 90 (4), 99 (6) and 112 (2) of Act

120.61 (1) The tangible personal property exemption provisions are prescribed for the purposes of the following provisions of the Act:

(a) section 89 (2) *[tax on acquisition of eligible tangible personal property]*;

(b) section 90 (4) *[tax on eligible tangible personal property brought into British Columbia]*;

(c) section 99 (6) *[tax on acquisition of exclusive product by independent sales contractor]*.

(2) Section 120.41 *[software]* of this regulation is prescribed for the purposes of section 112 (2) *[tax on purchase of software by small seller]* of the Act.

[en. B.C. Reg. 196/2018, s. 1.]

Provisions prescribed for purposes of section 145 of Act

120.62 (1) The tangible personal property exemption provisions are prescribed for the purposes of section 145 (1) (a) *[provisions providing exemptions in relation to tangible personal property]* of the Act.

(2) Section 120.41 *[software]* of this regulation is prescribed for the purposes of section 145 (1) (b) *[provisions providing exemptions in relation to software]* of the Act.

(3) Section 120.42 *[services]* of this regulation is prescribed for the purposes of section 145 (2) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act.

[en. B.C. Reg. 196/2018, s. 1.]

Declarations required under section 145 of Act

120.63 (1) For the purposes of section 145 (1.1) (a) *[evidence required to claim certain exemptions in relation to tangible personal property or software]* of the Act, in relation to a person who alleges that

(a) tangible personal property is exempt under any of the tangible personal property exemption provisions, or

(b) Part 4 software is exempt under section 120.41 *[software]* of this regulation,

the collector is required to obtain a declaration in a form specified by the director.

(2) For the purposes of section 145 (2) (a) *[evidence required to claim certain exemptions in relation to taxable services]* of the Act, in relation to a person who

alleges that a related service is exempt under section 120.42 *[services]* of this regulation, the collector is required to obtain a declaration in a form specified by the director.

[en. B.C. Reg. 196/2018, s. 1; am. B.C. Reg. 137/2024, App. 3, s. 1.]

Declaration required under section 30 (7) (a) of Act

120.64 For the purposes of section 30 (7) (a) *[evidence required to claim exemption in relation to tax payable in respect of vehicle]* of the Act, in relation to a person who alleges that a vehicle is exempt under section 120.4 *[tangible personal property for use in project]* of this Part, the Insurance Corporation of British Columbia is required to obtain a declaration in a form acceptable to the director.

[en. B.C. Reg. 196/2018, s. 1.]

PART 6 – REFUNDS

Medical equipment and software purchased with charity funds

121 (1) In this section:

"charity funds" means the funds of an eligible charity, other than funds provided directly or indirectly by

(a) a health authority, a health facility or a local authority,

(b) the PHSA,

(c) the government of British Columbia, except grants under section 41 *[grants to eligible organizations]* of the *Gaming Control Act*, or

(d) the government of Canada;

"community care facility" has the same meaning as in the *Community Care and Assisted Living Act*;

"health authority" means a regional health board designated under section 4 *[regional health boards]* of the *Health Authorities Act*;

"health facility" means any of the following:

(a) a hospital within the meaning of the *Hospital Act*, including a private hospital within the meaning of Part 2 *[Private Hospitals]* of that Act;

(b) a provincial mental health facility designated under section 3 (1) *[designation of mental health facilities]* of the *Mental Health Act*;

(c) a community care facility, other than a child day care facility, licensed under section 11 *[powers of medical health officer]* of the *Community Care and Assisted Living Act*;

"limitation date", in respect of an application for a refund under subsection (2) or (3) of this section, is the date that is 4 years after the date on which the tax to which the application relates was paid;

"medical equipment" includes the following:

(a) diagnostic medical imaging equipment;

(b) defibrillators, ventilators and heart-lung machines;

(c) infant warmers;

(d) infusion pumps;

(e) laboratory testing equipment;

(f) medical monitors;

(g) radiation, anaesthetic and intravenous equipment;

(h) stretchers;

(i) surgical equipment, surgical and medical instruments, surgical sterilization equipment and operating tables,

but does not include the following:

(j) couches, chairs, televisions, refrigerators, microwave ovens, pillows, bedding and other items or equipment that are typically used for household purposes;

(k) equipment used solely for research;

(l) office equipment;

"PHSA" means the Provincial Health Services Authority, a society under the *Societies Act*.

(2) Subject to this section, if the director is satisfied that an eligible charity, a health facility, a health authority or the PHSA paid tax under Part 3 of the Act in respect of medical equipment that was purchased

(a) in whole or in part with charity funds of an eligible charity, and

(b) for use by a health facility to treat a patient or diagnose a patient's ailments,

the director must refund to the eligible charity referred to in paragraph (a) of this subsection the lesser of

(c) the amount of tax paid under Part 3 of the Act in respect of the medical equipment, and

(d) the amount calculated under subsection (4) of this section in respect of the medical equipment.

(3) Subject to this section, if the director is satisfied that an eligible charity, a health facility, a health authority or the PHSA

(a) meets the requirements of subsection (2) (a) and (b) in respect of the medical equipment referred to in subsection (2), and

(b) paid tax under Part 3 or Part 4 of the Act in respect of software that was purchased

(i) in whole or in part with charity funds of an eligible charity,

(ii) together with the medical equipment, and

(iii) for use to operate, control or monitor that medical equipment,

the director must refund to the eligible charity referred to in paragraph (b) (i) of this subsection the lesser of

(c) the amount of tax paid under Part 3 or Part 4 of the Act in respect of the software, and

(d) the amount calculated under subsection (4) of this section in respect of that software.

(4) The amount referred to in subsection (2) (d) in respect of medical equipment and in subsection (3) (d) in respect of software is equal to the amount determined by the following formula:

$$\text{amount} = \text{tax paid} \times \left[\frac{\text{charity funds}}{(\text{price} + \text{tax paid})}\right]$$

where

charity funds	=	the total amount of charity funds of the eligible charity used to purchase the medical equipment or software;
price	=	the purchase price of the medical equipment or software;
tax paid	=	the amount of tax paid under Part 3 of the Act in respect of the medical equipment or under Part 3 or Part 4 of the Act in respect of the software.

(5) An application by an eligible charity under section 165 *[claim for refund]* of the Act for a refund under subsection (2) or (3) of this section must include all of the following for each item of medical equipment or software purchased with charity funds of the eligible charity:

(a) the name and address of the health facility in which the medical equipment is to be used;

(b) the amount of charity funds provided by the eligible charity that were used to purchase the medical equipment or software;

(c) a statement signed by an officer of the eligible charity certifying that charity funds of the eligible charity were used to purchase the medical equipment or software;

(d) if the medical equipment or software was purchased by a health authority, a health facility or the PHSA,

(i) documentation establishing that the eligible charity provided charity funds directly to the health authority, the health facility or the PHSA, as applicable, for the purpose of purchasing the medical equipment or software, and

(ii) a statement signed by an officer of the eligible charity authorizing the director to discuss the application with the health authority, the health facility or the PHSA, as applicable;

(e) if the medical equipment was purchased by a health authority or the PHSA, a statement signed by an administrator of the health authority or the PHSA, as applicable, certifying

(i) that the medical equipment is for use in the health facility referred to in paragraph (a) to treat patients or diagnose their ailments, and

(ii) that, if the health facility is a community care facility, the facility is licensed under section 11 of the *Community Care and Assisted Living Act*;

(f) if the medical equipment was purchased by the eligible charity or a health facility, a statement signed by an administrator of the health facility referred to in paragraph (a) certifying

(i) that the medical equipment is for use in the health facility to treat patients or diagnose their ailments, and

(ii) that, if the health facility is a community care facility, the facility is licensed under section 11 of the *Community Care and Assisted Living Act*.

(6) An eligible charity may submit an application under section 165 of the Act in respect of a refund under subsection (2) or (3) of this section only if

(a) the eligible charity has not submitted another application in the calendar year, or

(b) the application is submitted on, or during the 6-month period before, the limitation date for that application.

(7) For the purposes of subsection (6) (a), a single application that relates to more than one refund under subsection (2) or (3) is to be considered one application.

[am. B.C. Regs. 211/2015, s. 31; 134/2024, Sch. 1.]

Tangible personal property and software purchased with parents' advisory council funds

122 (1) In this section:

"authority" means

(a) a board of education, as defined in the *School Act*, or

(b) a francophone education authority, as defined in that Act;

"limitation date", in respect of an application for a refund under subsection (2) or (3) of this section, is the date that is 4 years after the date on which the tax to which the application relates was paid;

"PAC" means a parents' advisory council;

"PAC-raised funds", in relation to a PAC, means

(a) funds raised directly by the PAC through its fundraising activities,

(b) cash donations made directly to the PAC, and

(c) government funding provided directly to the PAC,

but does not include funds provided to the PAC directly or indirectly by an authority;

"relevant school" means

(a) a school, as defined in the *School Act*,

(b) a francophone school, or

(c) a Provincial school

for which a PAC is established;

"school year" has the same meaning as in the *School Act*.

(2) Subject to this section, if the director is satisfied that a PAC or a relevant school paid tax under Part 3 of the Act in respect of tangible personal property, or under Part 4 of the Act in respect of Part 4 software, that was purchased

(a) in whole or in part with PAC-raised funds of the PAC, and

(b) for use, at the relevant school for which the PAC is established, for school or student use,

the director must refund to the PAC the lesser of

(c) the amount of tax paid under Part 3 of the Act in respect of the tangible personal property or under Part 4 of the Act in respect of the Part 4 software, and

(d) the amount calculated under subsection (4) of this section in respect of the tangible personal property or Part 4 software.

(3) Subject to this section, if the director is satisfied that an authority paid tax under Part 3 of the Act in respect of tangible personal property, or under Part 4 of the Act in respect of Part 4 software, that was purchased

(a) in whole or in part with PAC-raised funds of a PAC, and

(b) for use, at the relevant school for which the PAC is established, for school or student use,

the director must refund to the authority the lesser of

(c) the amount of tax paid under Part 3 of the Act in respect of the tangible personal property or under Part 4 of the Act in respect of the Part 4 software, and

(d) the amount calculated under subsection (4) of this section in respect of the tangible personal property or Part 4 software.

(4) The amount referred to in subsection (2) (d) or (3) (d) in respect of tangible personal property or Part 4 software is equal to the amount determined by the following formula:

$$\text{amount} = \text{tax paid} \times \left[\frac{\text{PAC funds}}{(\text{price} + \text{tax paid})}\right]$$

where

PAC funds	=	the total amount of PAC-raised funds of the PAC used to purchase the tangible personal property or Part 4 software;
price	=	the purchase price of the tangible personal property or Part 4 software;
tax paid	=	the amount of tax paid under Part 3 of the Act in respect of the tangible personal property or under Part 4 of the Act in respect of the Part 4 software.

(5) An application by a PAC under section 165 *[claim for refund]* of the Act for a refund under subsection (2) of this section must include all of the following for each item of tangible personal property or Part 4 software purchased with PAC-raised funds of the PAC:

(a) the name and address of the relevant school at which the tangible personal property or Part 4 software is to be used;

(b) the amount of PAC-raised funds provided by the PAC that were used to purchase the tangible personal property or Part 4 software;

(c) a statement signed by an administrator of the relevant school certifying that the tangible personal property or Part 4 software is for use at the relevant school for school or student use;

(d) a statement signed by an officer of the PAC

(i) certifying that PAC-raised funds of the PAC were used to purchase the tangible personal property or Part 4 software, and

(ii) authorizing the director to discuss the application with the relevant school.

(6) An application by an authority under section 165 of the Act for a refund under subsection (3) of this section must include all of the following for each item of tangible personal property or Part 4 software purchased with PAC-raised funds of the PAC referred to in that subsection:

(a) the name and address of the relevant school at which the tangible personal property or Part 4 software is to be used;

(b) the amount of PAC-raised funds provided by the PAC that were used to purchase the tangible personal property or Part 4 software;

(c) documentation establishing that the PAC provided PAC-raised funds directly to the authority for the purpose of purchasing the tangible personal property or Part 4 software;

(d) a statement signed by an administrator of the authority

(i) certifying that the tangible personal property or Part 4 software is for use at the relevant school for school or student use,

(ii) certifying that PAC-raised funds of the PAC were used to purchase the tangible personal property or Part 4 software, and

(iii) authorizing the director to discuss the application with the PAC and the relevant school.

(7) A person may submit an application under section 165 of the Act in respect of a refund under subsection (2) or (3) of this section only

(a) if, in respect of an application by a PAC, the PAC has not submitted another application in the school year,

(b) if, in respect of an application by an authority, the authority has submitted fewer than 2 applications in the school year, or

(c) if the application is submitted on, or during the 6-month period before, the limitation date for that application.

(8) For the purposes of subsection (7) (a) and (b), a single application that relates to more than one refund under subsection (2) or (3) is to be considered one application.

[am. B.C. Reg. 117/2014, Sch. 4, s. 6.]

Motor vehicle transported outside British Columbia

123 (1) If the director is satisfied

(a) that a person who resides, ordinarily resides or carries on business in British Columbia purchased a motor vehicle at a sale in British Columbia and paid tax under Part 3 of the Act on the purchase,

(b) that, within 30 days after the date on which the motor vehicle was purchased or the date on which the person took possession of the motor vehicle, whichever is later,

(i) the motor vehicle was transported outside British Columbia to another jurisdiction for use solely outside British Columbia, and

(ii) the person established residence in the other jurisdiction, and

(c) that the person

(i) paid sales tax under a law of the other jurisdiction in respect of the motor vehicle and has not obtained and is not entitled to obtain, under that law, a refund of or a credit or rebate for that sales tax, or

(ii) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the motor vehicle and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

the director must refund to the person the amount of tax paid referred to in paragraph (a) of this subsection.

(2) If the director is satisfied

(a) that a person who does not reside, ordinarily reside or carry on business in British Columbia purchased a motor vehicle at a sale in British Columbia and paid tax under Part 3 of the Act on the purchase, and

(b) that, within 30 days after the date on which the motor vehicle was purchased or the date on which the person took possession of the motor vehicle, whichever is later, the motor vehicle was transported outside British Columbia for use primarily outside British Columbia,

the director must refund to the person the amount of tax paid.

(3) If the director is satisfied

(a) that a person who does not reside, ordinarily reside or carry on business in British Columbia purchased a motor vehicle at a sale in British Columbia and paid tax under Part 3 of the Act on the purchase,

(b) that, within 180 days after the date on which the motor vehicle was purchased or the date on which the person took possession of the motor vehicle, whichever is later, the motor vehicle was transported outside British Columbia to another jurisdiction for use primarily outside British Columbia, and

(c) that the person

(i) paid sales tax under a law of the other jurisdiction in respect of the motor vehicle and has not obtained and is not entitled to obtain, under that law, a refund of or a credit or rebate for that sales tax, or

(ii) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the motor vehicle and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

the director must refund to the person the amount of tax paid referred to in paragraph (a) of this subsection.

Used motor vehicles

123.1 (1) If, in respect of a purchase or acquisition of a motor vehicle to which section 10.01 of the Act applies, a person provides the appraised value to the director, in a form and manner specified by the director, and containing information acceptable to the director, within 30 days after the date of the application for registration of the motor vehicle under the vehicle registration legislation and the director is satisfied that

(a) the person has paid to the Insurance Corporation of British Columbia an amount of tax under section 37, 49, 50, or 52 of the Act, and

(b) the designated purchase price and the appraised value are each less than the average wholesale value,

the director must refund to the person that paid the amount of tax referred to in paragraph (a) the amount referred to in subsection (2).

(2) The amount of the refund under subsection (1) is equal to the difference between

(a) the amount of tax paid by the person to the Insurance Corporation of British Columbia under section 37, 49, 50 or 52, and

(b) the amount of tax payable on the greater of the designated purchase price and the appraised value.

[en. B.C. Reg. 169/2022, Sch. 2; am. B.C. Reg. 137/2024, App. 3, s. 2.]

124 Repealed. [B.C. Reg. 182/2025, Sch. 1, s. 1.]

Promotional material

124.1 (1) If the director is satisfied that

(a) a promotional distributor has provided promotional material to another person by way of promotional sale, and

(b) the promotional distributor has paid tax under the Act in respect of the promotional material, other than in accordance with section 30.1 (1) or (2) of the Act,

the director must refund to the promotional distributor the amount referred to in subsection (2) of this section.

(2) The amount of the refund under subsection (1) is equal to the difference between

(a) the amount of tax paid by the promotional distributor, and

(b) the amount of tax that would have been payable had the purchase price of the promotional material been calculated at the time of the promotional sale.

[en. B.C. Reg. 113/2019, Sch. 2.]

Aircraft converted to electric operation

124.2 (1) Subject to subsections (2) and (3), if the director is satisfied that

(a) a person obtained, other than by lease, an aircraft,

(b) the person paid tax under one or more of the following:

(i) section 37, 49, 55 or 100 of the Act in respect of the aircraft;

(ii) section 37, 49 or 55 of the Act in respect of tangible personal property that was later used to convert the aircraft to be powered solely by electricity and became part of that aircraft;

(iii) section 119 of the Act in respect of related services provided to the aircraft to convert that aircraft to be powered solely by electricity, and

(c) the person later converted the aircraft to be powered solely by electricity,

the director must refund to the person the total amount of tax referred to in subparagraphs (i) to (iii).

(2) If a person obtained, other than by lease, an aircraft for a purpose other than to convert it to be powered solely by electricity, subsection (1) does not apply to tax referred to in subsection (1) (b) (i).

(3) Subsection (1) does not apply to tax paid before February 19, 2020.

(4) This section does not apply in respect of remotely piloted aircraft.

[en. B.C. Reg. 243/2020, s. (b).]

125 Repealed. [B.C. Reg. 149/2024.]

Gift of vehicle, boat or aircraft between family members

125.1 (1) In this section, **"related individual"** includes a sibling.

(2) If the director is satisfied

(a) that an individual received a vehicle, boat or aircraft as a gift from a related individual,

(b) that the individual paid tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft given in British Columbia]* of the Act in respect of the vehicle, boat or aircraft,

(c) that, after the date the individual received the vehicle, boat or aircraft, the related individual

(i) was assessed an amount for tax payable under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft, and

(ii) paid the amount referred to in subparagraph (i), any related penalty and any interest on that amount and the penalty, and

(d) that the related individual did not receive the vehicle, boat or aircraft as a gift during the 12 months before the date on which the related individual gave that vehicle, boat or aircraft to the individual,

the director must refund to the individual the amount of tax paid under section 100 of the Act in respect of that gift of the vehicle, boat or aircraft.

[en. B.C. Reg. 216/2013, App. 1, s. 24.]

Gift of vehicle, boat or aircraft to registered charity

125.2 If the director is satisfied

(a) that a registered charity received a vehicle, boat or aircraft as a gift,

(b) that the registered charity paid tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft given in British Columbia]* of the Act in respect of the vehicle, boat or aircraft, and

(c) that, after the date the registered charity received the vehicle, boat or aircraft, the donor of the vehicle, boat or aircraft

(i) was assessed an amount for tax payable under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft, and

(ii) paid the amount referred to in subparagraph (i), any related penalty and any interest on that amount and the penalty,

the director must refund to the registered charity the amount of tax paid under section 100 of the Act in respect of that gift of the vehicle, boat or aircraft.

[en. B.C. Reg. 216/2013, App. 1, s. 24.]

Refund for prizes, draws and awards

125.3 (1) In this section, **"donor"**, in respect of a vehicle, boat or aircraft, means the person from whom the person referred to in subsection (2) (a) received the vehicle, boat or aircraft.

(2) If the director is satisfied

(a) that a person received a vehicle, boat or aircraft as a result of any of the following:

(i) a lawful lottery scheme within the meaning of section 207 of the *Criminal Code*;

(ii) a contest, a game of chance or skill or mixed chance and skill, or a disposition by any mode of chance, skill or mixed chance and skill;

(iii) an achievement in a field of endeavour, including athletic or sporting events;

(iv) a draw or awarding of a prize if the only consideration provided by the person was in the form of an entrance or admission fee, a ticket fee or another similar charge,

(b) that the person did not receive the vehicle, boat or aircraft as a result of a private arrangement, including a wager, between 2 or more persons,

(c) that the person paid tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft given in British Columbia]* of the Act in respect of the vehicle, boat or aircraft, and

(d) that, after the date the person received the vehicle, boat or aircraft, the donor

(i) was assessed an amount for tax payable under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft, and

(ii) paid the amount referred to in subparagraph (i), any related penalty and any interest on that amount and the penalty,

the director must refund to the person the amount of tax paid under section 100 of the Act in respect of that gift of the vehicle, boat or aircraft.

[en. B.C. Reg. 216/2013, App. 1, s. 24.]

Gifts of tangible personal property from outside Canada

125.4 (1) In this section, **"tangible personal property"** does not include a vehicle, boat or aircraft.

(2) If the director is satisfied that

(a) a person paid tax under section 49, 50 or 55 *[property brought into British Columbia from outside Canada]* of the Act in respect of tangible personal property that the person received as a gift from a donor,

(b) the donor of the tangible personal property

(i) paid tax under the Act or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(ii) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(iii) paid sales tax under a law of another jurisdiction in respect of the tangible personal property and has not obtained and is not entitled to obtain, under that law, a refund of or a credit or rebate for that sales tax,

(iv) received, before April 1, 2013, the tangible personal property as a gift in British Columbia, or

(v) was exempt, when the tangible personal property was obtained, from tax

(A) under the *Social Service Tax Act*, or

(B) under the Act, other than under section 24 *[vehicle purchased for use outside British Columbia]*, 25 *[aircraft purchased for use outside British Columbia]* or 26 *[tangible personal property shipped outside British Columbia]* of this regulation,

the director must refund to the person referred to in paragraph (a) the amount of tax paid referred to in that paragraph.

[en. B.C. Reg. 216/2013, App. 1, s. 24; am. B.C. Reg. 117/2014, Sch. 4, s. 7.]

Gifts, prizes, draws and awards from outside Canada

126 (1) Subject to subsection (2), if the director is satisfied that

(a) an individual paid tax under section 49, 50 or 55 *[property brought into British Columbia from outside Canada]* of the Act in respect of a vehicle, boat or aircraft,

(b) the individual received the vehicle, boat or aircraft as a gift from a related individual, as defined in section 18 (1) *[gifts between family members]* of this regulation, and

(c) the related individual

(i) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(ii) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(iii) paid sales tax under a law of another jurisdiction in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under that law, a refund of or a credit or rebate for that sales tax,

(iv) received, before April 1, 2013, the vehicle, boat or aircraft as a gift in British Columbia, or

(v) was exempt, when the vehicle, boat or aircraft was obtained, from tax

(A) under the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act*, or

(B) under the Act, other than under section 24 *[vehicle purchased for use outside British Columbia]*, 25 *[aircraft purchased for use outside British Columbia]* or 26 *[tangible personal property shipped outside British Columbia]* of this regulation,

the director must refund to the individual referred to in paragraph (a) the amount of tax paid referred to in that paragraph.

(2) A person is not entitled to a refund under subsection (1) of tax paid in respect of a vehicle, boat or aircraft if

(a) the related individual referred to in subsection (1) (b) of this section paid tax in respect of the vehicle, boat or aircraft only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax paid referred to in subsection (1) (a) of this section.

(3) Subject to subsections (4) and (5) of this section, if the director is satisfied that

(a) an individual paid tax under section 49, 50 or 55 of the Act in respect of a vehicle, boat or aircraft,

(b) the individual received the vehicle, boat or aircraft as a result of any of the following:

(i) a contest, a game of chance or skill or mixed chance and skill, or a disposition by any mode of chance, skill or mixed chance and skill;

(ii) an achievement in a field of endeavour, including athletic or sporting events;

(iii) a draw or awarding of a prize if the only consideration provided by the individual was in the form of an entrance or admission fee, a ticket fee or another similar charge, and

(c) the person who provided the vehicle, boat or aircraft to the individual

(i) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax,

(ii) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act* in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax,

(iii) paid sales tax under a law of another jurisdiction in respect of the vehicle, boat or aircraft and has not obtained and is not entitled to obtain, under that law, a refund of or a credit or rebate for that sales tax,

(iv) received, before April 1, 2013, the vehicle, boat or aircraft as a gift in British Columbia, or

(v) was exempt, when the vehicle, boat or aircraft was obtained, from tax

(A) under the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act*, or

(B) under the Act, other than under section 24 *[vehicle purchased for use outside British Columbia]*, 25 *[aircraft purchased for use outside British Columbia]* or 26 *[tangible personal property shipped outside British Columbia]* of this regulation,

the director must refund to the individual referred to in paragraph (a) the amount of tax paid referred to in that paragraph.

(4) An individual is not entitled to a refund under subsection (3) if the individual received the vehicle, boat or aircraft as a result of a private arrangement, including a wager, between 2 or more persons.

(5) An individual is not entitled to a refund under subsection (3) of tax paid in respect of a vehicle, boat or aircraft if

(a) the person referred to in subsection (3) (c) of this section paid tax in respect of the vehicle, boat or aircraft only under one or both of section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act and section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*, and

(b) the total amount of tax referred to in paragraph (a) of this subsection is less than the amount of tax paid referred to in subsection (3) (a) of this section.

[am. B.C. Regs. 216/2013, App. 1, s. 25; 117/2014, Sch. 4, s. 7.]

Refund of tax paid by contractor

126.1 (1) If the director is satisfied that

(a) a contractor purchased tangible personal property at a sale in British Columbia,

(b) the contractor paid tax under Part 3 of the Act in relation to the tangible personal property,

(c) the contractor used the tangible personal property to fulfill a written contract under which the contractor was required to supply and affix, or install, affixed machinery or improvements to real property,

(d) under the terms of the contract, the tangible personal property was used so that it ceased to be personal property at common law,

(e) the other party who entered into the contract with the contractor is one of the following:

(i) the government of Canada;

(ii) a person who would be exempt under the Act from tax imposed under section 37 of the Act if the person were to purchase the tangible personal property;

(iii) a First Nation individual or band, and

(f) in the case of a contract entered into with a First Nation individual or band, under the terms of the contract, title to and possession of the tangible personal property was transferred to the First Nation individual or band on First Nation land before the tangible personal property was used to fulfill the contract,

the director must refund to the contractor the tax paid under Part 3 of the Act in relation to the tangible personal property.

(2) If the director is satisfied that

(a) a contractor brought or sent into British Columbia, or received delivery of in British Columbia, tangible personal property,

(b) the contractor paid tax under Part 3 of the Act in relation to the tangible personal property,

(c) the contractor used the tangible personal property to fulfill a written contract under which the contractor was required to supply and affix, or install, affixed machinery or improvements to real property,

(d) under the terms of the contract, the tangible personal property was used so that it ceased to be personal property at common law,

(e) the other party who entered into the contract with the contractor is one of the following:

(i) the government of Canada;

(ii) a person who would be exempt under the Act from tax imposed under section 49 of the Act if the person were to bring or send into British Columbia, or receive delivery of in British Columbia, the tangible personal property;

(iii) a First Nation individual or band, and

(f) in the case of a contract entered into with a First Nation individual or band, under the terms of the contract, title to and possession of the tangible personal property was transferred to the First Nation individual or band on

First Nation land before the tangible personal property was used to fulfill the contract,

the director must refund to the contractor the tax paid under Part 3 of the Act in relation to the tangible personal property.

[en. B.C. Reg. 117/2014, Sch. 4, s. 8.]

Residential energy products used for residential use

127 If the director is satisfied that a person paid tax under Part 3 of the Act, other than Division 11 of that Part, in respect of a residential energy product used for residential use in a residential dwelling, the director must refund to the person the amount of tax paid by the person that can reasonably be attributed to the portion of the residential energy product used for residential use in a residential dwelling.

Substances on which tax paid under *Motor Fuel Tax Act*

128 (1) In this section, **"non-motor fuel oil"** has the same meaning as in the *Motor Fuel Tax Act*.

(2) If the director is satisfied that

(a) a person paid tax under Part 3 of the Act in respect of heating oil or non-motor fuel oil and has not obtained and is not entitled to obtain, under the Act, a refund of that tax, and

(b) the person paid tax under section 16.7 (5) *[tax on heating oil or non-motor fuel oil used for unauthorized purpose]* of the *Motor Fuel Tax Act* in respect of the heating oil or non-motor fuel oil and has not obtained and is not entitled to obtain, under that Act, a refund of that tax,

the director must refund to the person the amount of tax paid referred to in paragraph (a) of this subsection.

Tangible personal property used for farm purpose

129 (1) In this section, **"qualifying part"** has the same meaning as in section 46 (1) *[farmers]*.

(2) If the director is satisfied that

(a) a person obtained tangible personal property described in Schedule 2 *[Tangible Personal Property for Farm Purpose]* and paid tax under Part 3 of the Act in respect of the tangible personal property,

(b) the person, from the date on which the tangible personal property was obtained, used the tangible personal property solely for a farm purpose, and

(c) the person, within 2 years after the date on which the tangible personal property was obtained, became a qualifying farmer,

the director must refund to the person the amount of tax paid.

(3) If the director is satisfied that

(a) a person obtained a qualifying part and paid tax under Part 3 of the Act in respect of the qualifying part,

(b) the person used the qualifying part

(i) as a replacement part for tangible personal property described in Schedule 2, or

(ii) in the manufacture or repair of tangible personal property described in Schedule 2,

(c) the person, from the date on which the qualifying part was used for a purpose referred to in paragraph (b) of this subsection, used the tangible personal property solely for a farm purpose, and

(d) the person, within 2 years after the date on which the qualifying part was obtained, became a qualifying farmer,

the director must refund to the person the amount of tax paid.

(4) If the director is satisfied that

(a) a person paid tax under Division 2 of Part 5 of the Act in respect of a related service provided in relation to tangible personal property described in Schedule 2,

(b) the person, from the date on which the service was provided, used the tangible personal property solely for a farm purpose, and

(c) the person, within 2 years after the date on which the service was provided, became a qualifying farmer,

the director must refund to the person the amount of tax paid.

Tangible personal property and software used for commercial fishing purpose

130 (1) In this section, **"qualifying part"** has the same meaning as in section 48 (1) *[commercial fishers]*.

(2) If the director is satisfied that

(a) a person obtained a boat, fishing net or fishing equipment and paid tax under Part 3 of the Act in respect of the boat, fishing net or fishing equipment,

(b) the person, from the date on which the boat, fishing net or fishing equipment was obtained, used the boat, fishing net or fishing equipment solely for a commercial fishing purpose, and

(c) the person, within one year after the date on which the boat, fishing net or fishing equipment was obtained, became a qualifying commercial fisher,

the director must refund to the person the amount of tax paid.

(3) If the director is satisfied that

(a) a person obtained software designed for use on electronic monitoring equipment described in item 22 of Schedule 3 *[Fishing Equipment for*

Commercial Fishing Purpose] and paid tax under Part 4 of the Act in respect of the software,

(b) the person, from the date on which the software was obtained, used the electronic monitoring equipment solely for a commercial fishing purpose, and

(c) the person, within one year after the date on which the software was obtained, became a qualifying commercial fisher,

the director must refund to the person the amount of tax paid.

(4) If the director is satisfied that

(a) a person obtained a qualifying part and paid tax under Part 3 of the Act in respect of the qualifying part,

(b) the person used the qualifying part for the repair or reconditioning of a boat, fishing net or fishing equipment,

(c) the person, from the date on which the qualifying part was used for a purpose referred to in paragraph (b) of this subsection, used the boat, fishing net or fishing equipment solely for a commercial fishing purpose, and

(d) the person, within one year after the date on which the qualifying part was obtained, became a qualifying commercial fisher,

the director must refund to the person the amount of tax paid.

(5) If the director is satisfied that

(a) a person obtained materials for use in the repair or reconditioning of a boat and paid tax under Part 3 of the Act in respect of the materials,

(b) the person used the materials for the repair or reconditioning of a boat,

(c) the person, from the date on which the materials were used for a purpose referred to in paragraph (b) of this subsection, used the boat solely for a commercial fishing purpose, and

(d) the person,

(i) on the date on which the materials were obtained, was a qualifying commercial fisher, or

(ii) within one year after the date on which the materials were obtained, became a qualifying commercial fisher,

the director must refund to the person the amount of tax paid.

(6) If the director is satisfied that

(a) a person paid tax under Division 2 of Part 5 of the Act in respect of a related service provided in relation to a boat, fishing net or fishing equipment,

(b) the person, from the date on which the service was provided, used the boat, fishing net or fishing equipment solely for a commercial fishing purpose, and

(c) the person, within one year after the date on which the service was provided, became a qualifying commercial fisher,

the director must refund to the person the amount of tax paid.

Tangible personal property used for aquaculture purpose

131 (1) In this section, **"qualifying part"** has the same meaning as in section 49 (1) *[aquaculturists]*.

(2) If the director is satisfied that

(a) a person obtained tangible personal property described in Schedule 4 *[Tangible Personal Property for Aquaculture Purpose]* and paid tax under Part 3 of the Act in respect of the tangible personal property,

(b) the person, from the date on which the tangible personal property was obtained, used the tangible personal property solely for an aquaculture purpose, and

(c) the person, within 6 months after the date on which the tangible personal property was obtained, became a qualifying aquaculturist,

the director must refund to the person the amount of tax paid.

(3) If the director is satisfied that

(a) a person obtained a qualifying part and paid tax under Part 3 of the Act in respect of the qualifying part,

(b) the person used the qualifying part

(i) as a replacement part for tangible personal property described in Schedule 4, or

(ii) in the manufacture or repair of tangible personal property described in Schedule 4,

(c) the person, from the date on which the qualifying part was used for a purpose referred to in paragraph (b) of this subsection, used the tangible personal property solely for an aquaculture purpose, and

(d) the person, within 6 months after the date on which the qualifying part was obtained, became a qualifying aquaculturist,

the director must refund to the person the amount of tax paid.

(4) If the director is satisfied that

(a) a person paid tax under Division 2 of Part 5 of the Act in respect of a related service provided in relation to tangible personal property described in Schedule 4,

(b) the person, from the date on which the service was provided, used the tangible personal property solely for an aquaculture purpose, and

(c) the person, within 6 months after the date on which the service was provided, became a qualifying aquaculturist,

the director must refund to the person the amount of tax paid.

Claiming races

132 (1) Subject to subsection (2), if the director is satisfied that, on or after April 1, 2013, a person repurchased a horse at a claiming race and paid tax under Part 3 of the Act in respect of the repurchase, the director must refund to the person the amount of tax paid.

(2) As a limit on subsection (1), the amount of a refund under that subsection must not exceed the amount of tax paid by the person, on the most recent purchase of that horse by that person before the horse's repurchase,

(a) under the Act or the *Social Service Tax Act* and for which that person has not obtained and is not entitled to obtain a refund under those Acts, or

(b) under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and for which that person has not obtained and is not entitled to obtain a refund, credit or rebate under Part IX of that Act.

Tangible personal property and software used after tax paid under tax payment agreement

132.1 If the director is satisfied that

(a) a person paid tax under Part 3 of the Act in relation to tangible personal property, or under Part 4 of the Act in relation to software, in accordance with an agreement entered into under section 32 of the Act,

(b) the tax was payable on or before the date prescribed by section 14 (a) (ii) or (b) (ii) of the Provincial Sales Tax Regulation, and

(c) when the person became a user of the tangible personal property or software, other than in respect of the storing, keeping or retaining of the tangible personal property or software, the tangible personal property or software was used for a purpose for which the tangible personal property or software would have been exempt from tax under Part 3 or 4 of the Act if that tangible personal property or software were to have been used for that purpose when the person

(i) brought or sent into British Columbia, received delivery of in British Columbia, purchased or leased the tangible personal property, or

(ii) purchased the software,

the director must refund to the person the amount of tax paid in relation to the tangible personal property or software.

[en. B.C. Reg. 117/2014, Sch. 4, s. 8.]

Delivery charge for aggregate

132.2 (1) In this section, **"aggregate"** and **"delivery charge"** have the same meaning as in section 60.3 *[delivery charge for aggregate]*.

(2) If the director is satisfied that

(a) a purchaser purchased aggregate on or after April 1, 2018,

(b) the purchaser paid tax under Part 3 of the Act in respect of the portion of the purchase price of the aggregate that is a delivery charge, and

(c) the purchaser was not required to pay the delivery charge in order to purchase the aggregate,

the director must refund to the purchaser the amount of tax paid.

[en. B.C. Reg. 157/2018, s. 2.]

Purchase of accommodation for 27 days or more

133 (1) If the director is satisfied that

(a) a person paid tax under Division 3 of Part 5 of the Act in respect of a purchase of accommodation, and

(b) the accommodation was provided in a unit of accommodation to

(i) an individual, other than a tourism agent, and the unit was occupied for a continuous period of 27 days or more by

(A) the individual,

(B) the individual's employees,

(C) members of the individual's family, or

(D) members of the individual's employees' families,

(ii) a person, other than an individual or a tourism agent, and the unit was occupied for a continuous period of 27 days or more by

(A) the person's employees, or

(B) members of the person's employees' families, or

(iii) a tourism agent, and the unit was occupied for a continuous period of 27 days or more by the same customer of the tourism agent,

the director must refund to the person the amount of tax paid.

(2) Despite subsection (1), in applying that subsection in relation to accommodation purchased before October 1, 2018, a reference to "27 days or more" is to be read as a reference to "more than one month".

[am. B.C. Reg. 274/2019, s. 1.]

Refund or deduction for bad debts

134 (1) For the purposes of the definition of "specified amount" in section 159 (1) *[refund or deduction for bad debts]* of the Act, the specified amount in relation to a transaction must be determined in accordance with the following formula:

$$\text{specified amount} = \text{tax remitted} \times \left[\frac{\text{amount unpaid}}{(\text{total amount payable})}\right]$$

where

amount unpaid = the amount written off as unrealizable or uncollectable in respect of the transaction, but not including interest charges;

tax remitted	=	the amount of tax referred to in section 159 (2) (b) of the Act remitted by the person in respect of the transaction;
total amount payable	=	the full amount of the consideration in respect of the transaction including all applicable taxes, but not including interest charges.

(1.1) A registrant who makes a deduction under section 159 (3) of the Act must submit to the director any information or document required by the director in a manner specified by the director.

(2) For the purposes of section 159 (6) of the Act, the amount a registrant must add to the tax remitted by the registrant under the Act must be determined in accordance with the following formula:

$$\text{amount to be added} = \text{tax remitted} \times \left[\frac{\text{amount recovered}}{(\text{total amount payable})}\right]$$

where

amount recovered	=	the amount recovered by the registrant that gives rise to the obligation under section 159 (6) of the Act to add an amount to the tax remitted by the registrant under the Act;
tax remitted	=	the amount of tax referred to in section 159 (2) (b) of the Act remitted by the person in respect of the transaction;
total amount payable	=	the full amount of the consideration in respect of the transaction including all applicable taxes, but not including interest charges.

(3) For the purposes of section 159 (7) of the Act, the amount a person must pay to the government must be determined in accordance with the following formula:

$$\text{amount to be paid} = \text{tax remitted} \times \left[\frac{\text{amount recovered}}{(\text{total amount payable})}\right]$$

where

amount recovered	=	the amount recovered by the person that gives rise to the obligation under section 159 (7) of the Act to pay an amount to the government;
tax remitted	=	the amount of tax referred to in section 159 (2) (b) of the Act remitted by the person in respect of the transaction;
total amount payable	=	the full amount of the consideration in respect of the transaction including all applicable taxes, but not including interest charges.

[am. B.C. Regs. 102/2015, App. 3, s. 2; 137/2024, App. 3, s. 3.]

Persons prescribed under section 153

134.1 The following persons are prescribed for the purposes of section 153 (1) (d) of the Act:

(a) a person who was required to pay to a collector an amount of tax under section 37 (3) of the Act and is not a registrant;

(b) a person who

(i) was required to pay to a collector an amount of tax under section 37 (3) of the Act,

(ii) is a registrant, and

(iii) has remitted to the government less than $500 of tax in the 12 months prior to the month in which the director receives a claim from the person for a refund under section 153.

[en. B.C. Reg. 146/2024.]

PART 7 – REFUNDS AND CREDITS FOR MULTIJURISDICTIONAL VEHICLES

Credit if vehicle ceases to be multijurisdictional

135 (1) In this section:

"applicable period", in respect of a vehicle referred to in section 72 (5) or 72.1 (5) of the Act, means the last vehicle licence period during which the vehicle was licensed under a prorating agreement;

"prorate period amount" means the amount calculated under subsection (4) of this section for a vehicle;

"purchase price" has the same meaning as for the purposes of section 72 or 72.1 of the Act, as applicable;

"remaining balance amount" means the amount calculated under subsection (3) of this section for a vehicle.

(2) The amount of the credit under section 72 (5) or 72.1 (5) of the Act for a vehicle,

(a) if the vehicle ceases to be licensed under a licence to which a prorating agreement applies before the end of the vehicle licence period, is the sum of the remaining balance amount and the prorate period amount for the vehicle, and

(b) in any other case, is the prorate period amount for the vehicle.

(3) For the purposes of subsection (2) of this section, the remaining balance amount for a vehicle must be calculated as follows:

$$\text{remaining balance amount} = \text{tax paid} \times \left(\frac{\text{months remaining}}{\text{total months}}\right)$$

where

tax paid	=	the tax paid under one or both of sections 69 *[tax if multijurisdictional vehicle licensed]* and 71 *[adjustment of tax under section 69]* of the Act in respect of the vehicle for the applicable period;
months remaining	=	the number of whole months left in the applicable period at the time that the vehicle ceases to be licensed under the licence to which the prorating agreement applies;
total months	=	the number of whole and partial months in the applicable period.

(4) For the purposes of subsection (2) of this section, the prorate period amount for a vehicle must be calculated as follows:

$$\text{prorate period amount} = \text{purchase price} \times \text{total months} \times \text{average travel ratio} \times 7\%$$

where

purchase price	=	the purchase price of the vehicle;
total months	=	the number of whole months, up to a maximum of 60, in which the vehicle was licensed under the licence to which the prorating agreement applies, divided by 60;
average travel ratio	=	the average travel ratio during the total period the vehicle was licensed under the licence to which the prorating agreement applies.

Refund or credit of tax if fleet licensing changed

136 (1) In this section:

"applicable period", in respect of a vehicle referred to in section 74 (1) of the Act, means the last vehicle licence period under the previous licence referred to in section 74 (1) (b) or (1.2) (b) of the Act;

"different fleet", in respect of a vehicle referred to in section 74 (1) of the Act, means the different fleet referred to in section 74 (1) or (1.1) (c) of the Act.

(2) The amount of the credit under section 74 (2) of the Act or the amount of the refund under section 74 (3) of the Act for a vehicle must be calculated in accordance with the following formula:

$$\text{amount of credit or refund} = \text{tax paid} \times \left(\frac{\text{months remaining}}{\text{total months}}\right)$$

where

tax paid	=	the tax paid under one or both of sections 69 *[tax if multijurisdictional vehicle licensed]* and 71 *[adjustment of tax under section 69]* of the Act in respect of the vehicle for the applicable period;

months remaining	=	the number of whole months remaining in the applicable period at the time the vehicle is licensed as part of the different fleet;
total months	=	the number of whole and partial months in the applicable period.

Refund if vehicle ceases to be multijurisdictional

137 (1) In this section, **"applicable period"** means the last vehicle licence period during which a vehicle referred to in section 74.1 (1) of the Act was licensed under a prorating agreement.

(2) The amount of the refund under section 74.1 (1) of the Act for a vehicle must be calculated as follows:

$$\text{amount of refund} = \text{tax paid} \times \left(\frac{\text{months remaining}}{\text{total months}} \right)$$

where

tax paid	=	the tax paid under one or both of sections 69 *[tax if multijurisdictional vehicle licensed]* and 71 *[adjustment of tax under section 69]* of the Act in respect of the vehicle for the applicable period;
months remaining	=	the number of whole months left in the applicable period at the time that the vehicle ceases to be licensed under the licence to which the prorating agreement applies;
total months	=	the number of whole and partial months in the applicable period.

Refund at end of vehicle licence period

137.1 The amount of the refund under section 74.2 (1) of the Act in respect of a vehicle for a vehicle licence period is the amount calculated in accordance with the following formula:

$$\text{amount of refund} = \text{tax paid} \times \left(\frac{\text{months remaining}}{\text{total months}} \right)$$

where

tax paid	=	the tax paid under one or both of sections 69 *[tax if multijurisdictional vehicle licensed]* and 71 *[adjustment of tax under section 69]* of the Act in respect of the vehicle for the vehicle licence period;
months remaining	=	the number of whole months left in the vehicle licence period at the time that the vehicle ceased to be licensed under the licence to which the prorating agreement applies;
total months	=	the number of whole and partial months in the vehicle licence period.

[en. B.C. Reg. 117/2014, Sch. 4, s. 9.]

Credit if tax previously paid

138 (1) The amount of the credit under section 75 (1) or (1.1) or 75.1 (1) or (2) of the Act for a vehicle must be calculated in accordance with the following formula:

amount of credit = taxable value × credit factor × travel ratio × travel months

where

taxable value	=	the vehicle taxable value;
credit factor	=	the tax credit factor, for the calendar year in respect of which the credit is claimed, (a) established under subsection (2) of this section, if the vehicle is not a bus, or (b) established under subsection (3) of this section, if the vehicle is a bus;
travel ratio	=	the travel ratio for the vehicle;
travel months	=	the number of whole and partial months in the vehicle licence period at the time that the vehicle is licensed, divided by 12.

(2) The tax credit factor referred to in subsection (1) of this section for a calendar year in respect of which a credit is claimed for a vehicle other than a bus is the tax credit factor shown opposite the applicable calendar year as follows:

Calendar Year	Tax Credit Factor
acquisition year	2.944%
1st calendar year after the acquisition year	2.296%
2nd calendar year after the acquisition year	1.827%
3rd calendar year after the acquisition year	1.488%
4th calendar year after the acquisition year	1.247%

(3) The tax credit factor referred to in subsection (1) of this section for a calendar year in respect of which a credit is claimed for a bus is the tax credit factor shown opposite the applicable calendar year as follows:

Calendar Year	Tax Credit Factor
acquisition year	2.498%
1st calendar year after the acquisition year	1.836%
2nd calendar year after the acquisition year	1.349%
3rd calendar year after the acquisition year	0.990%
4th calendar year after the acquisition year	0.730%

Refunds from Insurance Corporation of British Columbia

138.1 (1) If a person has paid to the Insurance Corporation of British Columbia an amount as tax under section 69 of the Act that, as a result of a clerical error, is in excess of the amount of tax payable under that section, the Insurance Corporation of British Columbia may refund to the person the amount of the excess.

(2) If the director is satisfied that a person has paid to the Insurance Corporation of British Columbia an amount as tax under section 69 of the Act that is in excess of the amount of tax payable under that section, the Insurance Corporation of British Columbia, on receiving notice from the director, may refund to the person the amount of the excess.

(3) The Insurance Corporation of British Columbia may refund to a person the amount of tax paid under section 69 of the Act by the person in respect of a vehicle licence period if the person

(a) licensed a vehicle in British Columbia under a licence to which a prorating agreement applies for the vehicle licence period,

(b) paid tax under section 69 of the Act to the Insurance Corporation of British Columbia in respect of the licence referred to in paragraph (a), and

(c) cancels the licence referred to in paragraph (a) before the licence comes into effect.

[en. B.C. Reg. 117/2014, Sch. 6.]

Special refunds by Insurance Corporation of British Columbia

138.2 (1) Subject to subsection (3), the Insurance Corporation of British Columbia may refund to a person an amount of tax paid under section 69 of the Act in respect of a vehicle licence period if the vehicle ceases to be licensed, under a licence to which a prorating agreement applies, on a date that is

(a) within the vehicle licence period, and

(b) after March 10, 2020 but before October 1, 2020.

(2) If the Insurance Corporation of British Columbia does not exercise its discretion under subsection (1) to pay a refund to a person, the director may pay the refund if the director is satisfied that

(a) the person paid to the Insurance Corporation of British Columbia tax under section 69 of the Act in respect of a vehicle licence period, and

(b) the requirement in respect of the vehicle, set out in subsection (1), is met.

(3) A person may not be paid a refund under subsection (1) if the director pays a refund under subsection (2).

(4) The amount of the refund under subsection (1) or (2) is the amount calculated in accordance with the formula set out in section 137.1 as if the refund were payable under section 74.2 of the Act.

(5) A person to whom a refund is paid under subsection (1) or (2) must repay to the government an amount equal to the refund if

(a) the Insurance Corporation of British Columbia has provided a credit in respect of the same vehicle for the same vehicle licence period under section 74 (2) or 76 (2) of the Act, or

(b) the director has paid a refund, in respect of the same vehicle for the same vehicle licence period, under section 74 (3), 74.1, 74.2 or 76 (3) of the Act.

[en. B.C. Reg. 98/2020.]

Refund or credit for trade-in vehicles

139 The amount of the credit under section 76 (2) of the Act or the amount of the refund under section 76 (3) of the Act for a trade-in vehicle must be calculated in accordance with the following formula:

$$\text{amount of credit or refund} = \left(\frac{\text{tax paid}}{12}\right) \times (\text{months remaining})$$

where

tax paid	=	the tax paid under Division 7 of Part 3 of the Act on the trade-in vehicle at the beginning of the vehicle licence period in which the vehicle is traded in against the purchase of the new vehicle;
months remaining	=	the number of whole months remaining in the trade-in vehicle's vehicle licence period at the time the vehicle is traded in against the purchase of the new vehicle.

PART 8 – REFUNDS AND CREDITS FOR EXCLUSIVE PRODUCTS

Refund or credit if subsequent sale to exempt purchaser

140 If a person

(a) is an independent sales contractor of a direct seller,

(b) has obtained an exclusive product from the direct seller or another independent sales contractor of the direct seller,

(c) has paid tax under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to the exclusive product, and

(d) has sold the exclusive product to a purchaser who was not liable to pay tax on that purchase,

the direct seller may, within 180 days of the date on which the person paid the tax under section 99 of the Act, refund or credit to the person the amount of tax paid.

Refund or credit if subsequent sale for less than suggested retail price

141 If

(a) a person

(i) is an independent sales contractor of a direct seller,

(ii) has obtained an exclusive product from the direct seller or another independent sales contractor of the direct seller,

(iii) has paid tax under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to the exclusive product, and

(iv) has sold the exclusive product to a purchaser, and

(b) the purchase price paid by the purchaser is less than the direct seller's suggested retail price,

the direct seller may, within 180 days of the date on which the person paid the tax under section 99 of the Act, refund or credit to the person an amount equal to the amount, if any, by which the amount of tax paid by the person under section 99 of the Act exceeds the amount of tax levied by the person on the purchase price of the exclusive product under section 180 *[collection of tax by independent sales contractor]* of the Act.

Refund or credit if exclusive product used by independent sales contractor or provided to another person at no cost

142 (1) This section applies to a person who

(a) is an independent sales contractor of a direct seller,

(b) has obtained an exclusive product from the direct seller or another independent sales contractor of the direct seller,

(c) has paid tax under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to the exclusive product, and

(d) uses or consumes the exclusive product or provides the exclusive product to another person at no cost for use or consumption by that other person.

(2) If this section applies to a person under subsection (1), the direct seller may, within 180 days of the date on which the person paid the tax under section 99 of the Act, refund or credit to the person an amount equal to the amount by which the amount of tax paid by the person under section 99 of the Act exceeds the amount of tax that would have been payable by the person in relation to the exclusive product under, as applicable,

(a) section 37 *[tax on purchase]* of the Act if section 37 (2) (c.1) of the Act had not applied, or

(b) Division 4 *[Tangible Personal Property Brought into British Columbia]* of Part 3 of the Act if section 48 (a) *[application of Division 4]* of that Division had not applied.

Refund or credit if exclusive product returned to direct seller

143 (1) Subject to subsection (2), if

(a) a person

(i) is an independent sales contractor of a direct seller,

(ii) has obtained an exclusive product from the direct seller or another independent sales contractor of the direct seller,

(iii) has paid tax under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to the exclusive product, and

(iv) returns the exclusive product to the direct seller, and

(b) the direct seller refunds or credits to the person all or a portion of the consideration paid by the person for the purchase of the exclusive product,

the direct seller may, at the time the refund or credit of the consideration is paid or allowed, refund or credit to the person the amount of tax paid by the person that is attributable to the amount of the refund or credit of the consideration.

(2) A direct seller may pay or allow a refund or credit to a person under subsection (1) only if the refund or credit is paid or allowed within 180 days of the date on which the person paid the tax under section 99 of the Act.

Refund by director if direct seller does not provide refund or credit

144 (1) In this section, **"relevant provision"** means any of sections 140 to 143.

(2) If the director is satisfied that

(a) all of the requirements in a relevant provision for the payment of a refund or allowance of a credit to a person have been met, and

(b) the direct seller

(i) did not pay or allow the refund or credit, or

(ii) paid or allowed less than the full amount of the refund or credit,

the director must refund to the person an amount equal to the amount of the refund or credit the direct seller did not pay or allow.

(3) The director may require that a person request a direct seller to pay a refund or allow a credit under a relevant provision in relation to an exclusive product before the person may apply to the director for a refund under this section in respect of that exclusive product.

Refund by director for bad debts

145 (1) In this section, **"transaction"** means a transaction referred to in subsection (2) (d) of this section.

(2) This section applies to a person in respect of an exclusive product if

(a) the person is an independent sales contractor of a direct seller,

(b) the person has obtained the exclusive product from the direct seller or another independent sales contractor of the direct seller,

(c) the person has paid tax under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to the exclusive product,

(d) the person sells the exclusive product to a purchaser,

(e) the person, in accordance with the Act, has levied the tax required to be levied under section 180 (1) *[collection of tax by independent sales contractor]* of the Act for the transaction,

(f) the purchaser does not pay to the person the full amount of the consideration in respect of the transaction, and

(g) the person within 4 years of the date on which the tax referred to in paragraph (c) was paid, writes off as unrealizable or uncollectable the amount owing by the purchaser.

(3) If the director is satisfied that this section applies to a person in respect of an exclusive product, the director must refund to the person the portion, determined in accordance with subsection (4) of this section, of the amount of the tax paid by the person under section 99 of the Act in relation to the exclusive product.

(4) For the purposes of subsection (3) of this section, the portion of the amount of the tax paid by a person under section 99 of the Act in relation to an exclusive product must be determined in accordance with the following formula:

$$\text{portion to be refunded} = \text{tax levied} \times \left(\frac{\text{amount unpaid}}{\text{total amount payable}} \right)$$

where

tax levied = the amount of tax levied by the person under section 180 (1) of the Act in relation to the exclusive product;

amount unpaid	=	the amount written off as unrealizable or uncollectable in respect of the transaction, but not including interest charges;
total amount payable	=	the full amount of the consideration in respect of the transaction including all applicable taxes, but not including interest charges.

(5) If a person who obtained a refund under subsection (3) of this section recovers some or all of the amount referred to in subsection (2) (g) of this section, the person must pay to the government an amount, determined in accordance with subsection (6) of this section, on or before the last day of the month following the month in which the recovery was made.

(6) For the purposes of subsection (5) of this section, the amount a person must pay to the government must be determined in accordance with the following formula:

$$\text{amount to be paid} = \text{tax levied} \times \left(\frac{\text{amount recovered}}{\text{total amount payable}} \right)$$

where

tax levied	=	the amount of tax levied by the person under section 180 (1) of the Act in relation to the exclusive product;
amount recovered	=	the amount recovered by the person that gives rise to the obligation under subsection (5) of this section to pay an amount to the government;
total amount payable	=	the full amount of the consideration in respect of the transaction including all applicable taxes, but not including interest charges.

Refund by director if exclusive product not sold

146 If the director is satisfied that

(a) a person

(i) is an independent sales contractor of a direct seller,

(ii) has obtained an exclusive product from the direct seller or another independent sales contractor of the direct seller,

(iii) has paid tax under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to the exclusive product,

(iv) has not used or consumed and will not use or consume the exclusive product,

(v) has not provided and will not provide the exclusive product to another person at no cost for use or consumption by that other person, and

(vi) has not returned and will not return the exclusive product to the direct seller, and

(b) the exclusive product was not sold and will not be sold to a purchaser,

the director must refund to the person the amount of the tax paid.

No more than one refund or credit

147 (1) An independent sales contractor of a direct seller who has received or been allowed a refund or credit in respect of tax paid under section 99 *[tax on acquisition of exclusive product by independent sales contractor]* of the Act in relation to an exclusive product is not entitled to and must not request a refund from the director in respect of the same tax paid under section 99 of the Act in relation to the exclusive product.

(2) An independent sales contractor of a direct seller who has received a refund from the director in respect of tax paid under section 99 of the Act in relation to an exclusive product is not entitled to and must not request a refund or credit from the direct seller in respect of the same tax paid under section 99 of the Act in relation to the exclusive product.

PART 9 – RELATED PARTY ASSET TRANSFERS

Division 1 – Definitions and Interpretation

Definitions and interpretation

148 (1) In this Part, **"related corporation"** means a corporation that is related to another corporation within the meaning of subsection (2).

(2) For the purposes of this Part, a corporation is related to another corporation if

(a) one of them is a wholly owned subsidiary of the other, or

(b) both of them are wholly owned subsidiaries of the same corporation.

(3) For the purposes of this subsection and subsection (2), a corporation is a wholly owned subsidiary of another corporation if at least 95% of the outstanding shares of each class of the share capital of the first corporation are beneficially owned by one or both of the following:

(a) that other corporation;

(b) a wholly owned subsidiary, or wholly owned subsidiaries, of that other corporation.

(4) Subject to subsection (5), for the purposes of

(a) section 151 *[tangible personal property transferred to new corporation – wholly owned and controlled]*,

(b) section 152 *[tangible personal property transferred to new corporation – not wholly owned and controlled]*,

(c) section 154 *[software transferred to new corporation – wholly owned and controlled]*, and

(d) section 155 *[software transferred to new corporation – not wholly owned and controlled]*,

a person wholly owns and controls a corporation if

(e) the person beneficially owns shares in the corporation, and

(f) at least 95% of the outstanding shares of each class of the share capital of the corporation are beneficially owned by that person or by that person and that person's spouse.

(5) For the purposes of sections 151, 152, 154 and 155, a person referred to in subsection (4) of this section continues to wholly own and control a corporation despite transferring,

(a) without consideration, shares in the corporation to a trustee of a trust whose only beneficiaries are one or more of the following:

(i) the person;

(ii) the person's spouse;

(iii) the person's children, or

(b) with or without consideration, shares in the corporation to a trustee of a trust whose only beneficiaries are the person's spouse or the person and the person's spouse.

Division 2 – Tangible Personal Property Transferred between Related Parties

Tangible personal property transferred between related corporations

149 (1) In this section:

"previous owner", in relation to tangible personal property, means the related corporation referred to in subsection (2) (a), (b) or (c), as applicable;

"transfer date" means the following:

(a) in respect of tangible personal property referred to in subsection (2) (a), the date on which the tangible personal property is purchased by the corporation referred to in that subsection;

(b) in respect of tangible personal property referred to in subsection (2) (b), the date on which the tangible personal property was acquired by the corporation referred to in that subsection;

(c) in respect of tangible personal property referred to in subsection (2) (c), the date on which the tangible personal property is received as a gift by the corporation referred to in that subsection.

(2) Subject to subsections (3), (12) and (14) to (16),

(a) a corporation is exempt from tax imposed under any of the following provisions of the Act in respect of tangible personal property if the corporation purchases the tangible personal property from a related corporation:

(i) Division 2 *[Purchases of Tangible Personal Property]* of Part 3;

(ii) section 60 *[tax if conveyance purchased in British Columbia for interjurisdictional use]*;

(iii) section 66 *[adjustment of tax in respect of conveyance]*;

(iv) section 101 *[tax on reusable containers]*,

(b) a corporation is exempt from tax imposed under any of the following provisions of the Act in respect of tangible personal property if the corporation acquired the tangible personal property from a related corporation:

(i) Division 4 *[Tangible Personal Property Brought into British Columbia]* of Part 3;

(ii) Division 5 *[Property Brought into British Columbia from Outside Canada]* of Part 3;

(iii) section 63 *[tax if conveyance brought into and used in British Columbia]*;

(iv) section 64 *[tax if change in use of conveyance acquired for resale]*;

(v) section 66 *[adjustment of tax in respect of conveyance]*, and

(c) a corporation is exempt from tax imposed under section 100 *[tax on gift of vehicle, boat or aircraft given in British Columbia]* of the Act in respect of a vehicle, boat or aircraft if the corporation receives the vehicle, boat or aircraft as a gift from a related corporation.

(3) The exemptions under subsection (2) (a), (b) and (c) do not apply to a corporation in respect of tangible personal property unless one or more of the following requirements are met:

(a) subject to subsections (4) to (7), a related corporation of either the corporation or the previous owner of the tangible personal property

(i) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax, or

(ii) paid tax, in respect of the tangible personal property, under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax;

(b) the previous owner of the tangible personal property, before July 1, 1948, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property;

(c) subject to subsection (8),

(i) the previous owner of the tangible personal property, on or after July 1, 1948 but before July 1, 2010, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property;

(d) subject to subsection (9),

(i) the previous owner of the tangible personal property, on or after July 1, 2010 but before April 1, 2013, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the previous owner of the tangible personal property would not have been subject to, or would have been exempt from, tax under the Act in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property, if the Act and the regulations made under it, as they read on April 1, 2013, had been in force during the period referred to in subparagraph (i);

(e) subject to subsection (10),

(i) the previous owner of the tangible personal property, on or after April 1, 2013, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the Act in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property;

(f) subject to subsection (11),

(i) the previous owner of the tangible personal property, before April 1, 2013, acquired the tangible personal property outside British Columbia, and

(ii) the previous owner of the tangible personal property would have been exempt under this Division from tax imposed under the Act in respect of the tangible personal property if

(A) the Act and the regulations made under it, as they read on April 1, 2013, had been in force on the date on which the tangible personal property was acquired, and

(B) the previous owner had purchased the tangible personal property at a sale in British Columbia;

(g) subject to subsection (11),

(i) the previous owner of the tangible personal property, on or after April 1, 2013, acquired the tangible personal property outside British Columbia, and

(ii) the previous owner of the tangible personal property would have been exempt under this Division from tax imposed under the Act in respect of the tangible personal property if the previous owner had, on the date on which the tangible personal property was acquired, purchased the tangible personal property at a sale in British Columbia.

(4) For the purposes of subsection (3) (a) (i),

(a) tax under the Act does not include tax under the following provisions of the Act:

(i) Division 3 *[Leases of Tangible Personal Property]* of Part 3;

(ii) section 62 *[tax if leased conveyance used in British Columbia]*;

(iii) Division 7 *[Multijurisdictional Vehicles]* of Part 3;

(iv) Division 11 *[Energy Products]* of Part 3;

(v) section 102 *[tax on leased property occasionally supplied with operator]*, and

(b) tax under the *Social Service Tax Act* does not include tax under the following provisions of that Act:

(i) Division 2 *[Tax in relation to Leases]* of Part 2;

(ii) Division 3 *[Tax in relation to Multijurisdictional Vehicles]* of Part 2;

(iii) Division 9 *[Environmental Levies]* of Part 2.

(5) The requirement set out in subsection (3) (a) is not met if the related corporation referred to in that subsection

(a) paid tax under the Act or the *Social Service Tax Act* in respect of a portion of the consideration for the tangible personal property,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, in respect of a portion of the consideration for the tangible personal property, and

(c) obtained or is entitled to obtain, under Part IX of the *Excise Tax Act*, a refund, credit or rebate in respect of the tax referred to in paragraph (b) of this subsection.

(6) The requirement set out in subsection (3) (a) (i) is not met if

(a) the related corporation referred to in subsection (3) (a) paid tax in respect of the tangible personal property only under Division 6 *[Conveyances Used Interjurisdictionally]* of Part 3 of the Act, and

(b) the previous owner of the tangible personal property did not, at any time, use the tangible personal property in British Columbia.

(7) If the related corporation referred to in subsection (3) (a) paid tax in respect of the tangible personal property only under one or both of

(a) section 51 *[tangible personal property brought into British Columbia for temporary use]* of the Act, and

(b) section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*,

the requirement set out in subsection (3) (a) (i) is met only if, by operation of section 51 (6) of the Act, no tax would have been payable under section 51 of the Act by that related corporation in respect of that tangible personal property, if section 51 had applied to that related corporation in respect of that tangible personal property immediately before the transfer date.

(8) The requirement set out in subsection (3) (c) is not met if the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the tangible personal property because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was used or was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(9) The requirement set out in subsection (3) (d) is not met if the previous owner of the tangible personal property would not have been subject to, or would have been exempt from, tax under the Act in respect of the tangible personal property because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(10) The requirement set out in subsection (3) (e) is not met if the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the Act in respect of the tangible personal property because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(11) The requirements set out in subsection (3) (f) and (g) are not met if the previous owner of the tangible personal property

(a) did not, at any time, use the tangible personal property in British Columbia, and

(b) acquired the tangible personal property from a person who used the tangible personal property in British Columbia as a taxable conveyance, as defined in section 59 *[definitions – conveyances used interjurisdictionally]* of the Act.

(12) The exemptions under subsection (2) (a), (b) and (c) do not apply to a corporation in respect of tangible personal property unless

(a) the corporation and the previous owner of the tangible personal property remain related corporations for a period of at least 8 months after the transfer date, or

(b) all of the following requirements are met:

(i) the corporation and the previous owner of the tangible personal property were related corporations for a period of at least 8 months before the transfer date;

(ii) on or after the transfer date, the previous owner is dissolved or wound up under the *Bank Act* (Canada), the *Business Corporations Act*, the *Canada Business Corporations Act* or the *Winding-up and Restructuring Act* (Canada);

(iii) the corporation and the previous owner remain related corporations until such time as the previous owner is dissolved or wound up.

(13) Subsections (14) and (15) apply to a corporation referred to in subsection (2) (a), (b) or (c) in respect of tangible personal property referred to in that subsection if

(a) the related corporation referred to in subsection (3) (a) of this section paid tax in respect of the tangible personal property only under section 60, 63, 64 or 66 of the Act, or

(b) the previous owner of the tangible personal property was exempt under this Division from all or a portion of tax imposed under section 60, 63 or 64 of the Act in respect of the tangible personal property.

(14) For the purposes of the exemptions under subsection (2) (a), (b) and (c), a corporation to whom this subsection applies is exempt from tax imposed under

Division 2, 4 or 5 or section 60, 63, 64 or 100 of Part 3 of the Act, as applicable, in respect of the tangible personal property in an amount that is equal to the lesser of

(a) the sum of the following:

(i) the amount of tax the previous owner paid in respect of the tangible personal property under sections 60, 63, 64 and 66 of the Act and for which the previous owner has not obtained and is not entitled to obtain a refund under the Act;

(ii) if the previous owner was exempt under this Division from all or a portion of tax imposed under section 60, 63 or 64 of the Act in respect of the tangible personal property, the amount determined under this paragraph or section 151 (12) (a) *[tangible personal property transferred to new corporation – wholly owned and controlled]* of this regulation, as applicable, for the purpose of the previous owner's exemption from tax, and

(b) the amount of tax that, but for subsection (2) (a), (b) or (c) of this section, would be payable by the corporation under Division 2, 4 or 5 or section 60, 63, 64 or 100 of Part 3 of the Act, as applicable, in respect of the tangible personal property.

(15) Subject to subsection (16), for the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under section 66 of the Act in respect of the tangible personal property in an amount that is equal to the lesser of

(a) the difference between the amount determined under subsection (14) (a) of this section and the amount determined under subsection (14) (b), and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under section 66 of the Act in respect of the tangible personal property.

(16) The exemptions under subsection (2) (a) and (b) of this section from tax imposed under section 66 of the Act do not apply to a corporation referred to in subsection (15) of this section in respect of tangible personal property unless the amount determined under subsection (14) (a) exceeds the amount determined under subsection (14) (b).

Tangible personal property leased from related corporation

150 (1) Subject to subsections (2) and (9), a corporation is exempt from tax imposed under Division 3 *[Leases of Tangible Personal Property]* or section 62 *[tax if leased conveyance used in British Columbia]* of Part 3 of the Act, as applicable, in respect of tangible personal property if the corporation, referred to in this section as the "lessee", leases the tangible personal property from a related corporation, referred to in this section as the "lessor".

(2) The exemption under subsection (1) does not apply to a corporation in respect of tangible personal property unless one or more of the following requirements are met:

(a) subject to subsections (3) to (5), a related corporation of either the lessee or the lessor

(i) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax, or

(ii) paid tax, in respect of the tangible personal property, under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax;

(b) the lessor, before July 1, 1948, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property;

(c) subject to subsection (6),

(i) the lessor, on or after July 1, 1948 but before July 1, 2010, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the lessor was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property;

(d) subject to subsection (7),

(i) the lessor, on or after July 1, 2010 but before April 1, 2013, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the lessor would not have been subject to, or would have been exempt from, tax under the Act in respect of the tangible personal property, if the Act and the regulations made under it, as they read on April 1, 2013, had been in force during the period referred to in subparagraph (i);

(e) subject to subsection (8),

(i) the lessor, on or after April 1, 2013, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the lessor was not subject to, or was exempt from, tax under the Act in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property.

(3) For the purposes of subsection (2) (a) (i),

(a) tax under the Act does not include tax under the following provisions of the Act:

(i) Division 3 *[Leases of Tangible Personal Property]* of Part 3;

(ii) Division 6 *[Conveyances Used Interjurisdictionally]* of Part 3;

(iii) Division 7 *[Multijurisdictional Vehicles]* of Part 3;

(iv) Division 11 *[Energy Products]* of Part 3;

(v) section 102 *[tax on leased property occasionally supplied with operator]*, and

(b) tax under the *Social Service Tax Act* does not include tax under the following provisions of that Act:

(i) Division 2 *[Tax in relation to Leases]* of Part 2;

(ii) Division 3 *[Tax in relation to Multijurisdictional Vehicles]* of Part 2;

(iii) Division 9 *[Environmental Levies]* of Part 2.

(4) The requirement set out in subsection (2) (a) is not met if the related corporation referred to in that subsection

(a) paid tax under the Act or the *Social Service Tax Act* in respect of a portion of the consideration for the tangible personal property,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, in respect of a portion of the consideration for the tangible personal property, and

(c) obtained or is entitled to obtain, under Part IX of the *Excise Tax Act*, a refund, credit or rebate in respect of the tax referred to in paragraph (b) of this subsection.

(5) If the related corporation referred to in subsection (2) (a) paid tax in respect of the tangible personal property only under one or both of

(a) section 51 *[tax if tangible personal property brought into British Columbia for temporary use]* of the Act, and

(b) section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*,

the requirement set out in subsection (2) (a) (i) of this section is met only if, by operation of section 51 (6) of the Act, no tax would have been payable under section 51 of the Act by that related corporation in respect of that tangible personal property, if section 51 had applied to that related corporation in respect

of that tangible personal property immediately before the date on which that tangible personal property is leased by the lessee.

(6) The requirement set out in subsection (2) (c) is not met if the lessor was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the tangible personal property because

(a) the lessor purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was used or was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(7) The requirement set out in subsection (2) (d) is not met if the lessor of the tangible personal property would not have been subject to, or would have been exempt from, tax under the Act in respect of the tangible personal property because

(a) the lessor purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(8) The requirement set out in subsection (2) (e) is not met if the lessor of the tangible personal property was not subject to, or was exempt from, tax under the Act in respect of the tangible personal property because

(a) the lessor purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(9) The exemptions under subsection (1) do not apply to a corporation in respect of tangible personal property unless the lessee and the lessor continue to be related corporations at the time that, but for the exemption under subsection (1), tax would be payable under Division 3 *[Leases of Tangible Personal Property]* or section 62 *[tax if leased conveyance used in British Columbia]* of Part 3 of the Act, as applicable, in respect of the tangible personal property.

Tangible personal property transferred to new corporation – wholly owned and controlled

151 (1) In this section:

"previous owner", in relation to tangible personal property, means the person referred to in subsection (2) (a) or (b), as applicable, from whom the corporation referred to in that subsection purchases or acquired, as applicable, the tangible personal property;

"transfer date" means the following:

(a) in respect of tangible personal property referred to in subsection (2) (a), the date on which the tangible personal property is purchased by the corporation referred to in that subsection;

(b) in respect of tangible personal property referred to in subsection (2) (b), the date on which the tangible personal property was acquired by the corporation referred to in that subsection.

(2) Subject to subsections (3), (10) and (12) to (14),

(a) a corporation is exempt from tax imposed under any of the following provisions of the Act in respect of tangible personal property if the corporation, at any time on or before the date on which the corporation starts to carry on business, purchases the tangible personal property from a person that wholly owns and controls it:

(i) Division 2 *[Purchases of Tangible Personal Property]* of Part 3;

(ii) section 60 *[tax if conveyance purchased in British Columbia for interjurisdictional use]*;

(iii) section 66 *[adjustment of tax in respect of conveyance]*;

(iv) section 101 *[tax on reusable containers]*, and

(b) a corporation is exempt from tax imposed under any of the following provisions of the Act in respect of tangible personal property if the corporation, at any time on or before the date on which the corporation started to carry on business, acquired the tangible personal property from a person that wholly owned and controlled it:

(i) Division 4 *[Tangible Personal Property Brought into British Columbia]* of Part 3 of the Act;

(ii) Division 5 *[Property Brought into British Columbia from Outside Canada]* of Part 3;

(iii) section 63 *[tax if conveyance brought into and used in British Columbia]*;

(iv) section 64 *[tax if change in use of conveyance acquired for resale]*;

(v) section 66 *[adjustment of tax in respect of conveyance]*.

(3) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of tangible personal property unless one or more of the following requirements are met:

(a) subject to subsections (4) to (6), the previous owner of the tangible personal property

(i) paid tax under the Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* in respect of the tangible personal property and has not obtained and is not entitled to obtain, under those Acts, a refund of that tax, or

(ii) paid tax, in respect of the tangible personal property, under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax;

(b) the previous owner of the tangible personal property, before July 1, 1948, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property;

(c) subject to subsection (7),

(i) the previous owner of the tangible personal property, on or after July 1, 1948 but before July 1, 2010, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property;

(d) subject to subsection (8),

(i) the previous owner of the tangible personal property, on or after July 1, 2010 but before April 1, 2013, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the previous owner of the tangible personal property would not have been subject to, or would have been exempt from, tax under the Act in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property, if the Act and the regulations made under it, as they read on April 1, 2013, had been in force during the period referred to in subparagraph (i);

(e) subject to subsection (9),

(i) the previous owner of the tangible personal property, on or after April 1, 2013, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property, and

(ii) the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the Act in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the tangible personal property.

(4) For the purposes of subsection (3) (a) (i),

(a) tax under the Act does not include tax under the following provisions of the Act:

(i) Division 3 *[Leases of Tangible Personal Property]* of Part 3;

(ii) section 62 *[tax if leased conveyance used in British Columbia]*;

(iii) Division 7 *[Multijurisdictional Vehicles]* of Part 3;

(iv) Division 11 *[Energy Products]* of Part 3;

(v) section 102 *[tax on leased property occasionally supplied with operator]*, and

(b) tax under the *Social Service Tax Act* does not include tax under the following provisions of that Act:

(i) Division 2 *[Tax in relation to Leases]* of Part 2;

(ii) Division 3 *[Tax in relation to Multijurisdictional Vehicles]* of Part 2;

(iii) Division 9 *[Environmental Levies]* of Part 2.

(5) The requirement set out in subsection (3) (a) is not met if the previous owner of the tangible personal property

(a) paid tax under the Act or the *Social Service Tax Act* in respect of a portion of the consideration for the tangible personal property,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, in respect of a portion of the consideration for the tangible personal property, and

(c) obtained or is entitled to obtain, under Part IX of the *Excise Tax Act*, a refund, credit or rebate in respect of the tax referred to in paragraph (b) of this subsection.

(6) If the previous owner of the tangible personal property paid tax in respect of the tangible personal property only under one or both of

(a) section 51 *[tax if tangible personal property brought into British Columbia for temporary use]* of the Act, and

(b) section 12 *[calculation of tax if use in British Columbia temporary]* of the *Social Service Tax Act*,

the requirement set out in subsection (3) (a) (i) of this section is met only if, by operation of section 51 (6) of the Act, no tax would have been payable under section 51 of the Act by that previous owner in respect of that tangible personal property, if section 51 had applied to that previous owner in respect of that tangible personal property immediately before the transfer date.

(7) The requirement set out in subsection (3) (c) is not met if the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the tangible personal property because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was used or was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(8) The requirement set out in subsection (3) (d) is not met if the previous owner of the tangible personal property would not have been subject to, or would have been exempt from, tax under the Act in respect of the tangible personal property because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(9) The requirement set out in subsection (3) (e) is not met if the previous owner of the tangible personal property was not subject to, or was exempt from, tax under the Act in respect of the tangible personal property because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the tangible personal property for resale or lease,

(b) the tangible personal property was to be used for a particular purpose, or

(c) the tangible personal property was to be delivered or transported outside British Columbia, or was, in whole or in part, for use outside British Columbia.

(10) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of the tangible personal property unless the previous owner of the tangible personal property continues to wholly own and control the corporation for a period of at least 8 months after the transfer date.

(11) Subsections (12) and (13) apply to a corporation referred to in subsection (2) (a) or (b) if the previous owner of the tangible personal property referred to in that subsection

(a) paid tax in respect of the tangible personal property only under section 60, 63, 64 or 66 of the Act, or

(b) was exempt under this Division from all or a portion of tax imposed under section 60, 63 or 64 of the Act in respect of the tangible personal property.

(12) For the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under Division 2, 4 or 5 or section 60, 63, 64 or 100 of Part 3 of the Act, as applicable, in respect of the tangible personal property in an amount that is equal to the lesser of

(a) the sum of the following:

(i) the amount of tax the previous owner paid in respect of the tangible personal property under sections 60, 63, 64 and 66 of the Act and for which the previous owner has not obtained and is not entitled to obtain a refund under the Act;

(ii) if the previous owner was exempt under this Division from all or a portion of tax imposed under section 60, 63 or 64 of the Act in respect of the tangible personal property, the amount determined under this paragraph or section 149 (14) (a) *[tangible personal property transferred between related corporations]* of this regulation, as applicable, for the purpose of the previous owner's exemption from tax, and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under Division 2, 4 or 5 or section 60, 63, 64 or 100 of Part 3 of the Act, as applicable, in respect of the tangible personal property.

(13) Subject to subsection (14), for the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under section 66 of the Act in respect of the tangible personal property in an amount that is equal to the lesser of

(a) the difference between the amount determined under subsection (12) (a) of this section and the amount determined under subsection (12) (b), and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under section 66 of the Act in respect of the tangible personal property.

(14) The exemptions under subsection (2) (a) and (b) of this section from tax imposed under section 66 of the Act do not apply to a corporation referred to in subsection (13) of this section in respect of tangible personal property unless the amount determined under subsection (12) (a) exceeds the amount determined under subsection (12) (b).

Tangible personal property transferred to new corporation – not wholly owned and controlled

152 (1) In this section:

"previous owner", in relation to tangible personal property, means the person referred to in subsection (2) (a) or (b), as applicable, from whom the corporation referred to in that subsection purchases or acquired, as applicable, the tangible personal property;

"transfer date" means the following:

(a) in respect of tangible personal property referred to in subsection (2) (a), the date on which the tangible personal property is purchased by the corporation referred to in that subsection;

(b) in respect of tangible personal property referred to in subsection (2) (b), the date on which the tangible personal property was acquired by the corporation referred to in that subsection.

(2) Subject to subsections (3), (5) and (6),

(a) a corporation is exempt from tax imposed under any of the following provisions of the Act in respect of tangible personal property if the corporation, at any time on or before the date on which the corporation starts to carry on business, purchases the tangible personal property from a person that does not wholly own and control it:

(i) Division 2 *[Purchases of Tangible Personal Property]* of Part 3;

(ii) section 60 *[tax if conveyance purchased in British Columbia for interjurisdictional use]*;

(iii) section 66 *[adjustment of tax in respect of conveyance]*;

(iv) section 101 *[tax on reusable containers]*, and

(b) a corporation is exempt from tax imposed under any of the following provisions of the Act in respect of tangible personal property if the corporation, at any time on or before the date on which the corporation started to carry on business, acquired the tangible personal property from a person that did not wholly own and control it:

(i) Division 4 *[Tangible Personal Property Brought into British Columbia]* of Part 3;

(ii) Division 5 *[Property Brought into British Columbia from Outside Canada]* of Part 3;

(iii) section 63 *[tax if conveyance brought into and used in British Columbia]*;

(iv) section 64 *[tax if change in use of conveyance acquired for resale]*;

(v) section 66 *[adjustment of tax in respect of conveyance]*.

(3) Subject to section 151 (4) to (9) *[tangible personal property transferred to new corporation – wholly owned and controlled]* and subsection (4) of this section,

the exemptions under subsection (2) (a) and (b) of this section do not apply to a corporation in respect of tangible personal property unless one or more of the requirements set out in section 151 (3) (a) to (e) are met.

(4) For the purposes of subsection (3),

(a) a reference in section 151 (3) to subsection (2) (a) and (b) of that section is to be read as a reference to subsection (2) (a) and (b) of this section,

(b) a reference in section 151 (3) and (5) to (9) to previous owner is to be read as a reference to previous owner as defined in subsection (1) of this section,

(c) a reference in section 151 (3) and (5) to (9) to tangible personal property is to be read as a reference to tangible personal property under this section,

(d) for the purposes of section 151 (3) (a) (i), tax under the Act does not include tax under section 60, 63, 64 or 66 of the Act,

(e) the requirement set out in section 151 (3) (d) is not met if the previous owner of the tangible personal property would have been exempt under this Division from all or a portion of tax imposed under section 60, 63, 64 or 66 of the Act in respect of the tangible personal property, and

(f) the requirement set out in section 151 (3) (e) is not met if the previous owner of the tangible personal property was exempt under this Division from all or a portion of tax imposed under section 60, 63, 64 or 66 of the Act in respect of the tangible personal property.

(5) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of tangible personal property unless all of the following requirements are met:

(a) the consideration for the purchase or acquisition of the tangible personal property by the corporation is the issue or transfer of shares in that corporation to the previous owner of the tangible personal property;

(b) the date on which the shares are issued or transferred to the previous owner is not more than 30 days after the transfer date;

(c) the previous owner beneficially owns and holds legal title to all of the shares so acquired for a period of at least 8 months after the transfer date.

(6) For the purposes of the exemptions under subsection (2) (a) and (b),

(a) if the fair market value of the shares referred to in subsection (5) (a) is equal to or greater than the fair market value of the tangible personal property, the corporation is exempt from tax imposed under Divisions 2, 4 and 5 and sections 60, 63, 64, 66 and 101 of Part 3 of the Act in respect of the tangible personal property, and

(b) if the fair market value of the shares referred to in subsection (5) (a) is less than the fair market value of the tangible personal property, the corporation is exempt from tax imposed under Divisions 2, 4, and 5 and sections 60, 63, 64, 66 and 101 of Part 3 of the Act in respect of the tangible personal property to the extent necessary to reduce the tax payable under the

applicable Division or section to an amount that is equal to the amount of tax that would be payable under the applicable Division or section if the purchase price of the tangible personal property were equal to the difference between the fair market value of the tangible personal property and the fair market value of the shares issued or transferred.

Division 3 – Software Transferred between Related Parties

Software transferred between related corporations

153 (1) In this section:

"previous owner", in relation to Part 4 software, means the related corporation referred to in subsection (2) (a) or (b), as applicable;

"transfer date" means the following:

(a) in respect of Part 4 software referred to in subsection (2) (a), the date on which the Part 4 software is purchased by the corporation referred to in that subsection;

(b) in respect of Part 4 software referred to in subsection (2) (b), the date on which the Part 4 software was purchased by the corporation referred to in that subsection.

(2) Subject to subsections (3), (8) and (10) to (12),

(a) if section 105 *[tax on software]* or 107 (1) (b) (i) *[tax on purchase of software for business use on devices in and outside British Columbia]* of the Act applies to a corporation in relation to Part 4 software, the corporation is exempt from tax imposed under sections 105, 107 and 108 of the Act in relation to the Part 4 software, if the corporation purchases the Part 4 software from a related corporation, and

(b) if section 106 *[tax on use of software on device in British Columbia]* or 107 (1) (b) (ii) *[tax on business use of software on devices in and outside British Columbia]* of the Act applies to a corporation in relation to Part 4 software, the corporation is exempt from tax imposed under sections 106 to 108 of the Act in relation to the Part 4 software, if the corporation purchased the Part 4 software from a related corporation.

(3) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of Part 4 software unless one or more of the following requirements are met:

(a) subject to subsection (4), a related corporation of either the corporation or the previous owner of the Part 4 software

(i) paid tax under the *Social Service Tax Act*, other than Division 2 of Part 2 of that Act, in respect of the Part 4 software and has not obtained and is not entitled to obtain, under that Act, a refund of that tax;

(ii) paid tax, in respect of the Part 4 software, under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax, or

(iii) paid tax under Part 4 of the Act in respect of the Part 4 software and has not obtained and is not entitled to obtain, under the Act, a refund of that tax;

(b) subject to subsection (5),

(i) the previous owner of the Part 4 software, before July 1, 2010, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the Part 4 software, and

(ii) the previous owner was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the Part 4 software;

(c) subject to subsection (6),

(i) the

(A) previous owner of the Part 4 software, on or after July 1, 2010 but before April 1, 2013, purchased the Part 4 software in British Columbia for use on, through or with an electronic device ordinarily situated in British Columbia, or

(B) previous owner of the Part 4 software purchased the Part 4 software and, on or after July 1, 2010 but before April 1, 2013, the Part 4 software was used on, through or with an electronic device ordinarily situated in British Columbia, and

(ii) the previous owner would have been exempt from tax imposed under section 105, 106 or 107 of the Act in respect of the purchase or use of the Part 4 software if the Act and the regulations made under it, as they read on April 1, 2013, had been in force during the period referred to in subparagraph (i);

(d) subject to subsection (7),

(i) the

(A) previous owner of the Part 4 software, after April 1, 2013, purchased in British Columbia the Part 4 software for use on, through or with an electronic device ordinarily situated in British Columbia, or

(B) previous owner of the Part 4 software purchased the Part 4 software and, after April 1, 2013, the Part 4 software was used on, through or with an electronic device ordinarily situated in British Columbia, and

(ii) the previous owner was exempt from tax imposed under section 105, 106 or 107 of the Act in respect of the purchase or use of the Part 4 software.

(4) The requirement set out in subsection (3) (a) is not met if the related corporation referred to in that subsection

(a) paid tax under the Act or the *Social Service Tax Act* in respect of a portion of the consideration for the Part 4 software,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, in respect of a portion of the consideration for the Part 4 software, and

(c) obtained or is entitled to obtain, under Part IX of the *Excise Tax Act*, a refund, credit or rebate in respect of the tax referred to in paragraph (b) of this subsection.

(5) The requirement set out in subsection (3) (b) is not met if the previous owner of the Part 4 software was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the Part 4 software because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the Part 4 software for resale, or

(b) the Part 4 software was used or was to be used for a particular purpose.

(6) The requirement set out in subsection (3) (c) is not met if the previous owner of the Part 4 software would have been exempt,

(a) under section 113 of the Act, or

(b) because the Part 4 software was to be used for a particular purpose,

from tax imposed under the Act in respect of the Part 4 software.

(7) The requirement set out in subsection (3) (d) is not met if the previous owner of the Part 4 software was exempt,

(a) under section 113 of the Act, or

(b) because the Part 4 software was to be used for a particular purpose,

from tax imposed under the Act in respect of the Part 4 software.

(8) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of Part 4 software unless

(a) the corporation and the previous owner of the Part 4 software remain related corporations for a period of at least 8 months after the transfer date, or

(b) all of the following requirements are met:

(i) the corporation and the previous owner were related corporations for a period of at least 8 months before the transfer date;

(ii) on or after the transfer date, the previous owner is dissolved or wound up under the *Bank Act* (Canada), the *Business Corporations Act*, the *Canada Business Corporations Act* or the *Winding-up and Restructuring Act* (Canada);

(iii) the corporation and the previous owner remain related corporations until such time as the seller is dissolved or wound up.

(9) Subsections (10) and (11) apply to a corporation referred to in subsection (2) (a) or (b) in respect of Part 4 software referred to in that subsection if

(a) the related corporation referred to in subsection (3) (a) of this section paid tax in respect of the Part 4 software only under section 107 or 108 of the Act, or

(b) the previous owner of the Part 4 software was exempt under this Division from all or a portion of tax imposed under section 107 of the Act in respect of the Part 4 software.

(10) For the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under section 105, 106 or 107 of the Act, as applicable, in respect of the Part 4 software in an amount that is equal to the lesser of

(a) the sum of the following:

(i) the amount of tax the previous owner paid in respect of the Part 4 software under sections 107 and 108 of the Act and for which the previous owner has not obtained and is not entitled to obtain a refund under the Act;

(ii) if the previous owner was exempt under this Division from all or a portion of tax imposed under section 107 of the Act in respect of the Part 4 software, the amount determined under this paragraph or section 154 (10) (a) *[software transferred to new corporation – wholly owned and controlled]* of this regulation, as applicable, for the purpose of the previous owner's exemption from tax, and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under section 105, 106 or 107 of the Act, as applicable, in respect of the Part 4 software.

(11) Subject to subsection (12), for the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under section 108 of the Act in respect of the Part 4 software in an amount that is equal to the lesser of

(a) the difference between the amount determined under subsection (10) (a) of this section and the amount determined under subsection (10) (b), and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under section 108 of the Act in respect of the Part 4 software.

(12) The exemptions under subsection (2) (a) and (b) of this section from tax imposed under section 108 of the Act do not apply to a corporation referred to in subsection (11) of this section in respect of Part 4 software unless the amount determined under subsection (10) (a) exceeds the amount determined under subsection (10) (b).

[am. B.C. Reg. 233/2024, Sch. 1, s. 1.]

Software transferred to new corporation – wholly owned and controlled

154 (1) In this section:

"previous owner", in relation to Part 4 software, means the person referred to in subsection (2) (a) or (b), as applicable, from whom the corporation referred to in that subsection purchases the Part 4 software;

"transfer date" means the following:

(a) in respect of Part 4 software referred to in subsection (2) (a), the date on which the Part 4 software is purchased by the corporation referred to in that subsection;

(b) in respect of Part 4 software referred to in subsection (2) (b), the date on which the Part 4 software was purchased by the corporation referred to in that subsection.

(2) Subject to subsections (3), (8) and (10) to (12),

(a) if section 105 *[tax on software]* or 107 (1) (b) (i) *[tax on business use of software on devices in and outside British Columbia]* of the Act applies to a corporation in relation to Part 4 software, the corporation is exempt from tax imposed under sections 105, 107 and 108 of the Act in relation to the Part 4 software if the corporation, at any time on or before the date on which the corporation starts to carry on business, purchases the Part 4 software from a person that wholly owns and controls it, and

(b) if section 106 *[tax on business use of software on device in British Columbia]* or 107 (1) (b) (ii) of the Act applies to a corporation in relation to Part 4 software, the corporation is exempt from tax imposed under sections 106 to 108 of the Act in relation to the Part 4 software if the corporation, at any time on or before the date on which the corporation started to carry on business, purchased the Part 4 software from a person that wholly owned and controlled it.

(3) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of Part 4 software unless one or more of the following requirements are met:

(a) subject to subsection (4), the previous owner of the Part 4 software

(i) paid tax under the *Social Service Tax Act*, other than Division 2 of Part 2 of that Act, in respect of the Part 4 software and has not

obtained and is not entitled to obtain, under that Act, a refund of that tax,

(ii) paid tax, in respect of the Part 4 software, under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, and has not obtained and is not entitled to obtain, under Part IX of that Act, a refund of or a credit or rebate for that tax, or

(iii) paid tax under Part 4 of the Act in respect of the Part 4 software and has not obtained and is not entitled to obtain, under the Act, a refund of that tax;

(b) subject to subsection (5),

(i) the previous owner of the Part 4 software, before July 1, 2010, acquired in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the Part 4 software, and

(ii) the previous owner was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the acquiring in British Columbia, bringing or sending into British Columbia or receiving of delivery in British Columbia of the Part 4 software;

(c) subject to subsection (6),

(i) the

(A) previous owner of the Part 4 software, on or after July 1, 2010 but before April 1, 2013, purchased the Part 4 software in British Columbia for use on, through or with an electronic device ordinarily situated in British Columbia, or

(B) previous owner of the Part 4 software purchased the Part 4 software and, on or after July 1, 2010 but before April 1, 2013, the Part 4 software was used on, through or with an electronic device ordinarily situated in British Columbia, and

(ii) the previous owner would have been exempt from tax imposed under section 105, 106 or 107 of the Act in respect of the purchase or use of the Part 4 software if the Act and the regulations made under it, as they read on April 1, 2013, had been in force during the period referred to in subparagraph (i);

(d) subject to subsection (7),

(i) the

(A) previous owner of the Part 4 software, after April 1, 2013, purchased in British Columbia the Part 4 software for use on, through or with an electronic device ordinarily situated in British Columbia, or

(B) previous owner of the Part 4 software purchased the Part 4 software and, after April 1, 2013, the Part 4 software was used

on, through or with an electronic device ordinarily situated in British Columbia, and

(ii) the previous owner was exempt from tax imposed under section 105, 106 or 107 of the Act in respect of the purchase or use of the Part 4 software.

(4) The requirement set out in subsection (3) (a) is not met if the previous owner of the Part 4 software

(a) paid tax under the Act or the *Social Service Tax Act* in respect of a portion of the consideration for the Part 4 software,

(b) paid tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, in respect of a portion of the consideration for the Part 4 software, and

(c) obtained or is entitled to obtain, under Part IX of the *Excise Tax Act*, a refund, credit or rebate in respect of the tax referred to in paragraph (b) of this subsection.

(5) The requirement set out in subsection (3) (b) is not met if the previous owner of the Part 4 software was not subject to, or was exempt from, tax under the *Social Service Tax Act* in respect of the Part 4 software because

(a) the previous owner purchased in British Columbia, brought or sent into British Columbia or received delivery of in British Columbia the Part 4 software for resale, or

(b) the Part 4 software was used or was to be used for a particular purpose.

(6) The requirement set out in subsection (3) (c) is not met if the previous owner of the Part 4 software would have been exempt,

(a) under section 113 of the Act, or

(b) because the Part 4 software was to be used for a particular purpose,

from tax imposed under the Act in respect of the Part 4 software.

(7) The requirement set out in subsection (3) (d) is not met if the previous owner of the Part 4 software was exempt,

(a) under section 113 of the Act, or

(b) because the Part 4 software was to be used for a particular purpose,

from tax imposed under the Act in respect of the Part 4 software.

(8) The exemptions under subsection (2) (a) and (b) do not apply to a corporation in respect of the Part 4 software unless the previous owner of the Part 4 software continues to wholly own and control the corporation for a period of at least 8 months after the transfer date.

(9) Subsections (10) and (11) apply to a corporation referred to in subsection (2) (a) or (b) if the previous owner of the Part 4 software referred to in that subsection

(a) paid tax in respect of the Part 4 software only under section 107 or 108 of the Act, or

(b) was exempt under this Division from all or a portion of tax imposed under section 107 of the Act in respect of the Part 4 software.

(10) For the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under section 105, 106 or 107 of the Act, as applicable, in respect of the Part 4 software in an amount that is equal to the lesser of

(a) the sum of the following:

(i) the amount of tax the previous owner paid in respect of the Part 4 software under sections 107 and 108 of the Act and for which the previous owner has not obtained and is not entitled to obtain a refund under the Act;

(ii) if the previous owner was exempt under this Division from all or a portion of tax imposed under section 107 of the Act in respect of the Part 4 software, the amount determined under this paragraph or section 153 (10) (a) *[software transferred between related corporations]* of this regulation, as applicable, for the purpose of the previous owner's exemption from tax, and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under section 105, 106 or 107 of the Act, as applicable, in respect of the Part 4 software.

(11) Subject to subsection (12), for the purposes of the exemptions under subsection (2) (a) and (b), a corporation to whom this subsection applies is exempt from tax imposed under section 108 of the Act in respect of the Part 4 software in an amount that is equal to the lesser of

(a) the difference between the amount determined under subsection (10) (a) of this section and the amount determined under subsection (10) (b), and

(b) the amount of tax that, but for subsection (2) (a) or (b) of this section, would be payable by the corporation under section 108 of the Act in respect of the Part 4 software.

(12) The exemptions under subsection (2) (a) and (b) of this section from tax imposed under section 108 of the Act do not apply to a corporation referred to in subsection (11) of this section in respect of Part 4 software unless the amount determined under subsection (10) (a) exceeds the amount determined under subsection (10) (b).

[am. B.C. Reg. 233/2024, Sch. 1, s. 1.]

Software transferred to new corporation – not wholly owned and controlled

155 (1) In this section:

"previous owner", in relation to Part 4 software, means the person referred to in subsection (2) (a) or (b), as applicable, from whom the corporation referred to in that subsection purchases the Part 4 software;

"transfer date" means the following:

(a) in respect of Part 4 software referred to in subsection (2) (a), the date on which the Part 4 software is purchased by the corporation referred to in that subsection;

(b) in respect of Part 4 software referred to in subsection (2) (b), the date on which the Part 4 software was purchased by the corporation referred to in that subsection.

(2) Subject to subsections (3), (5) and (6),

(a) if section 105 *[tax on software]* or 107 (1) (b) (i) *[tax on business use of software on devices in and outside British Columbia]* of the Act applies to a corporation in relation to Part 4 software, the corporation is exempt from tax imposed under sections 105, 107 and 108 of the Act in relation to the Part 4 software if the corporation, at any time on or before the date on which the corporation starts to carry on business, purchases the Part 4 software from a person that does not wholly own and control it, and

(b) if section 106 *[tax on business use of software on device in British Columbia]* or 107 (1) (b) (ii) of the Act applies to a corporation in relation to Part 4 software, the corporation is exempt from tax imposed under sections 106 to 108 of the Act in relation to the Part 4 software if the corporation, at any time on or before the date on which the corporation started to carry on business, purchased the Part 4 software from a person that did not wholly own and control it.

(3) Subject to section 154 (4) to (7) *[software transferred to new corporation – wholly owned and controlled]* and subsection (4) of this section, the exemptions under subsection (2) (a) and (b) of this section do not apply to a corporation in respect of Part 4 software unless one or more of the requirements set out in section 154 (3) (a) to (d) are met.

(4) For the purposes of subsection (3),

(a) a reference in section 154 (3) to subsection (2) (a) and (b) of that section is to be read as a reference to subsection (2) (a) and (b) of this section,

(b) a reference in section 154 (3) to (7) to previous owner is to be read as a reference to previous owner as defined in subsection (1) of this section,

(c) a reference in section 154 (3) to (7) to Part 4 software is to be read as a reference to Part 4 software under this section,

(d) for the purposes of section 154 (3) (a) (iii), tax under Part 4 of the Act does not include tax under section 107 or 108 of the Act,

(e) the requirement set out in section 154 (3) (c) is not met if the previous owner of the Part 4 software would have been exempt under this Division from all

or a portion of tax imposed under section 107 or 108 of the Act in respect of the Part 4 software, and

(f) the requirement set out in section 154 (3) (d) is not met if the previous owner of the Part 4 software was exempt under this Division from all or a portion of tax imposed under section 107 or 108 of the Act in respect of the Part 4 software.

(5) The exemptions under subsection (2) (a) or (b) do not apply to a corporation in respect of Part 4 software unless all of the following requirements are met:

(a) the consideration for the purchase or acquisition of the Part 4 software by the corporation is the issue or transfer of shares in that corporation to the previous owner of the Part 4 software;

(b) the date on which the shares are issued or transferred to the previous owner is not more than 30 days after the transfer date;

(c) the previous owner beneficially owns and holds legal title to all of the shares so acquired for a period of at least 8 months after the transfer date.

(6) For the purposes of the exemptions under subsection (2) (a) and (b),

(a) if the fair market value of the shares referred to in subsection (5) (a) is equal to or greater than the fair market value of the Part 4 software, the corporation is exempt from tax imposed under sections 105 to 108 of the Act in respect of the Part 4 software, and

(b) if the fair market value of the shares referred to in subsection (5) (a) is less than the fair market value of the Part 4 software, the corporation is exempt from tax imposed under sections 105 to 108 of the Act in respect of the Part 4 software to the extent necessary to reduce the tax payable under those sections to an amount that is equal to the amount of tax that would be payable under those sections if the purchase price of the Part 4 software were equal to the difference between the fair market value of the Part 4 software and the fair market value of the shares issued or transferred.

SCHEDULE 1

[am. B.C. Reg. 28/2024, Sch. C, s. 2.]

(section 31)

TANGIBLE PERSONAL PROPERTY FOR HYDROELECTRIC POWER GENERATION

Item	Tangible personal property for hydroelectric power generation
1	Control gates, intake valves and stoplogs that control the flow of water through the weir and into the penstock
2	Expansion joints, surface penstock pedestals, air-release valves and penstock scour valves
3	Fish and sediment screens that prevent fish and sediment from entering the penstock

Item	Tangible personal property for hydroelectric power generation
4	Inflatable rubber weirs and controls
5	Maintenance hole entrances obtained for use for penstock inspection and cleaning
6	Manufactured pipe made of concrete, steel, iron, fibreglass, wood-staves or high density polyethylene
7	Penstock intake power supply
8	Penstock pipe bridges
9	Penstock stiffening rings
10	Penstock ventilation pipe
11	Pressure release valves and surge facilitators
12	Ring girders
13	Sluice gates that remove sediment from the approach channel to the penstock to prevent damage to the penstock and power plant equipment
14	Steel weirs and controls
15	Trash racks, with or without self-clearing apparatus, that prevent debris from entering the penstock
16	Tunnel bulkheads, access hatches and drain valves

SCHEDULE 2

[am. B.C. Regs. 216/2013, App. 1, ss. 26 and 27; 117/2014, Sch. 4, s. 10; 75/2016; 182/2025, Sch. 1, s. 2.]

(sections 1, 2, 46, 74 and 129)

TANGIBLE PERSONAL PROPERTY FOR FARM PURPOSE

Table 1 – Bees and Honey

Item	Tangible personal property for farm purpose
1	Bee cages, queen bee cups for grafting bees and queen bee mailing cartons or boxes
2	Bees
3	Capping melters
4	Comb honey wrappers and labels
5	Containers obtained for use for packaging honey for marketing
6	Foundations designed for use in beekeeping
7	Frames and end bars designed for use in beekeeping
8	Honey extractors
9	Honey storage tanks
10	Honey uncapping planes
11	Honey wire mesh strainers
12	Pollen substitutes

Table 1 – Bees and Honey

Item	Tangible personal property for farm purpose
13	Pollinators
14	Sections designed for use by beekeepers
15	Staples and eyelets advertised or marketed for use in beekeeping
16	Wire and wiring tack for frames designed for use in beekeeping

Table 2 – Dairy

Item	Tangible personal property for farm purpose
1	Bulk milk tanks, including tanks obtained for use for shipping milk
2	Cream cans
3	Cream separators
4	Dairy brushes
5	Dairy filters
6	Dairy pails
7	Milk bottle caps
8	Milk cans
9	Milk coolers
10	Milk storage tanks
11	Milk strainers and filters
12	Milking machines, including any motors and pumps
13	Milking parlour stalls
14	Milking parlour stools
15	Teat dilators
16	Teat dip

Table 3 – Poultry and Eggs

Item	Tangible personal property for farm purpose
1	Brooders
2	Chick boxes and staples obtained for use for chick boxes
3	Chick enclosure materials
4	C-K-A Gene Chick treatment in mash
5	Egg cartons and baskets
6	Egg crates
7	Egg immunization systems
8	Egg packing equipment
9	Hen specks

Table 3 – Poultry and Eggs

Item	Tangible personal property for farm purpose
10	Metal nests
11	Nest eggs
12	Poultry
13	Poultry crates
14	Poultry feeders, waterers, troughs and coordinated cage systems obtained for use in conjunction with poultry feeders, waterers and troughs
15	Poultry laying cages if integrated with poultry feeding, watering and egg gathering systems
16	Turkey guards and saddles

Table 4 – Fencing, Gates, Pens, Stalls and Cages

Item	Tangible personal property for farm purpose
1	Automatic door closures designed for holding animals in stalls
2	Automatic gate openers
3	Barbed wire
4	Cattle guards
5	Chicken wire
6	Crop protection netting systems that enclose a crop to protect the crop from predators
7	Deer fencing
8	Devices and equipment designed to restrain or hold livestock for the purposes of servicing, branding, testing or treatment
9	Electric fencing and batteries obtained for use for electric fencing
10	Fence posts
11	Fencing
12	Gates and gate accessories designed for farm use
13	Head gates and nose bars designed as accessories to devices and equipment described in item 8 of this table
14	Hog wire
15	Insulators and insulated handles designed for electric fences
16	J Bolts obtained for use for electric fences
17	Livestock pens, cages and stalls
18	Post drivers and post augers
19	Poultry netting
20	Prefabricated livestock flooring slats

Table 4 – Fencing, Gates, Pens, Stalls and Cages

Item	Tangible personal property for farm purpose
21	Prefabricated livestock loading chutes and handling systems
22	Rubber mats designed for use in livestock stalls
23	Stall dividers
24	Staples obtained for use for fencing
25	Steel pipe livestock guards
26	Wire and netting obtained for use for fences
27	Wire mesh obtained for use for cages
28	Wire stretchers
29	Wire tree guards

Table 5 – Pest Management

Item	Tangible personal property for farm purpose
1	Adhesive pest management materials, including barriers, strips, insect trap coating, bird repellent and glue trap coating
2	Bird scaring devices
3	Disinfectant mats
4	Dusters, sprayers and applicators designed to dispense fertilizers, pesticides and insecticides
5	Gopher baiting furrow machines
6	Insecticide, fungicide, disinfectant or weed control chemicals registered under the *Pest Control Products Act* (Canada)
7	Livestock oilers
8	Livestock protectors designed to be attached to livestock to keep predators and pests away
9	Moth traps
10	Naturally occurring predators and parasites obtained for use as biological control agents to control specific insect, mite or weed species
11	Pest control paper
12	Weed and tree sprayers

Table 6 – Waste Management

Item	Tangible personal property for farm purpose
1	Above-ground manure aerating systems
2	Barn cleaners
3	Barn scrapers

Table 6 – Waste Management

Item	Tangible personal property for farm purpose
4	Barn litter carriers
5	Incineration units obtained for on-farm use
6	Manure separators
7	Treatment products obtained for on-farm use to promote the decay of organic materials in water in ponds, dug-outs and reservoirs
8	Treatment products obtained for use to reduce gas and bacteria levels in litters, bedding and manure

Table 7 – Greenhouses, Nurseries and Mushroom Houses

Item	Tangible personal property for farm purpose
1	Artificial lighting systems obtained for use in greenhouses to promote plant growth, including replacement bulbs obtained for use in such lighting systems
2	Automatic product handling and packaging systems that place seedlings or cuttings in plastic wrap or other containers
3	Automatic travelling sprinklers designed for use in greenhouses
4	Bulb crates and bulb planters
5	Bulbs, corms, rhizomes and tubers
6	Carbon dioxide
7	Carbon dioxide condensers and heat exchangers obtained for use as part of a greenhouse heating system
8	Carbon dioxide generators
9	Cloches, including hot caps and hot tents
10	Conveyor belts designed to transport pots in nurseries
11	Fillers and flats
12	Flower sorting and bunching equipment
13	Glass that is designed for use in greenhouses, has a light transmission value of at least 89% and is obtained in quantities of at least 500 m^2
14	Greenhouse and nursery boilers obtained for use in providing heat for a greenhouse or nursery
15	Growing medium
16	Mushroom bin loaders and unloaders, including the reel, pump and screen systems
17	Mushroom house boilers
17.1	Natural gas heating systems obtained for use in providing heat for a greenhouse or nursery
18	Nursery carts

Table 7 – Greenhouses, Nurseries and Mushroom Houses

Item	Tangible personal property for farm purpose
19	Repealed. [B.C. Reg. 216/2013, App. 1, s. 26 (c).]
20	Plastic or polyethylene sheets that are heavy gauge, UV stabilized and obtained in rolls at least 100 feet in length and 20 feet in width
20.1	Polycarbonate panels that are obtained for use in greenhouses and are obtained in quantities of at least 500 m^2
21	Potting machines and attachments
22	Rolling benches
23	Seedling plug extractors
24	Shade curtains
25	Thermal curtains, including hardware that operates the thermal curtain, obtained for use in greenhouses to retain heat
26	Tree diggers designed for use in nursery operations

Table 8 – Feed and Water Equipment

Item	Tangible personal property for farm purpose
1	Drinking cups designed for use in fur farming
2	Feed augering systems
3	Feed grinders
4	Feed mixers and feed mixer wagons
5	Feeders and feeding systems designed for livestock, automatic or manual, including controls and any integrated hardware or software
6	Feeding dishes designed for use in fur farming
7	Feeds, including pigeon feed
8	Food grinders designed for use in fur farming
9	Hay and silage
10	Livestock feeder pails
11	Minerals, medications, nutrients and micronutrients obtained for use for livestock
12	Mixers designed for use in fur farming
13	Molasses
14	Salt
15	Salt mineral blocks
16	Water bowls designed to be attached to stanchions
17	Water heaters
18	Water warmers

Table 8 – Feed and Water Equipment

Item	Tangible personal property for farm purpose
19	Waterers and watering systems designed for livestock, automatic or manual, including controls and any integrated hardware or software
20	Wheat germ oil

Table 9 – Fuel and Energy

Item	Tangible personal property for farm purpose
1	Auxiliary generating equipment
2	Electricity
3	Heat
4	Kerosene burners and other portable fuel-based burners
5	Natural gas and fuel oil

Table 10 – Fertilizer, Chemicals and Chemical Equipment

Item	Tangible personal property for farm purpose
1	Agricultural lime
2	Calcium chloride
3	Chemicals obtained for use for making fertilizer
4	Fertilizer mixers
5	Fertilizers
6	Hormones, microorganisms and enzymes
7	Sanitizing products and chemicals
8	Sterilizing chemicals and sterilizing equipment, including electric soil sterilizers and steam generators obtained for use to sterilize soil

Table 11 – Vehicles, Implements and Related Equipment

Item	Tangible personal property for farm purpose
1	Aerators
2	Bale ejectors
3	Bale loaders
4	Batteries, oil filters, sparkplugs and comparable engine parts, if obtained for use with tangible personal property described in this schedule
5	Buckets designed to be attached to front-end loaders
6	Combines
7	Corn binders

Table 11 – Vehicles, Implements and Related Equipment

Item	Tangible personal property for farm purpose
8	Corn listers
9	Cultivators
10	Disk harrows
11	Drag harrows
12	Farm implements designed to till the ground or harvest crops
13	Farm seed drills and attachments
14	Farm tractors
15	Forage harvesters
16	Front end loaders
17	Halters and harnesses designed for horses, including hardware
18	Hardware obtained for use for harnesses
19	Harrow carts
20	Hay loaders
21	Hay mowers
22	Hay presses
23	Hay rakes
24	Hay stackers
25	Hay sweeps
26	Hay tedders
27	Horse-drawn vehicles
28	Horseshoes
29	Implements designed to be attached to a farm tractor
30	Land packers
31	Lime spreaders
32	Manure spreaders
33	Pickups designed to be attached to a combine, hay loader or baler
34	Ploughs
35	Potato diggers
36	Potato seed cutters
37	Qualifying all-terrain vehicles that have an engine with a displacement of 200 cc or greater and that are equipped with a carrying rack, platform or cargo box
38	Rock pickers
39	Rod weeders
40	Rototillers and rotovators
41	Self-propelled bale wagons
42	Singletrees and irons

Table 11 – Vehicles, Implements and Related Equipment

Item	Tangible personal property for farm purpose
42.1	Skid steers and attachments designed to be attached to a skid steer
43	Sugar beet toppers and windrowers
44	Swathers
44.1	Telescopic handlers and attachments designed to be attached to a telescopic handler
45	Threshing machines
46	Tires
47	Vine beaters
48	Wagon boxes, tanks and other vehicles that are not self-propelled
49	Wheeled hoes
50	Winches designed to be attached to a farm tractor

Table 12 – Other Equipment

Item	Tangible personal property for farm purpose
1	Bin pilers
2	Cranberry separators
3	Crop and farm product cleaning, sizing, grading and candling equipment and machines, including washers, brushers, baggers and dryers
4	Crop planting, harvesting and picking machinery and equipment
5	Culverts and other water-control devices designed for use in cranberry beds
6	Drain tile
7	Egg beaters designed for use by cranberry farmers
8	Elevating towers designed for use for pruning, thinning, picking or wiring trees
9	Grain augers and grain elevators
10	Grain grinders
11	Grain testers
12	Grain treaters
13	Hammer mills
14	Hanging gutters
15	Hay slings and grain slings
16	Hay conditioners and hay drying equipment
17	Hop pressers
18	Incubators
19	Irrigation equipment

Table 12 – Other Equipment

Item	Tangible personal property for farm purpose
20	Nut dryers
21	Oat crushers
22	Potato bin unloaders
23	Potato conveyors and elevators
24	Potato sack loaders
25	Refrigeration equipment obtained for use for the cooling or cold storage of farm products
26	Roller mills
27	Scales designed to weigh livestock
28	Seed cleaners
29	Self-contained dryers designed for drying agricultural produce, including grain or nuts
30	Self-powered irrigators
31	Silo blowers
32	Silo covers and silage covers
33	Silo unloaders
34	Silos
35	Stainless steel wash tanks
36	Steel granaries
37	Storage tanks, in industrial use sizes, obtained for use for storing fuel, liquid fertilizer, manure and similar items
38	Thermometers, hydrometers, barometers and other climatic and wind monitoring equipment and accessories, but not including any related computer hardware or software
39	Ventilators and air conditioning equipment
40	Wind machines designed for use outdoors to prevent frost damage to crops

Table 13 – Hand Tools, Ties and Stakes

Item	Tangible personal property for farm purpose
1	Bale ties and wire, including hay baling twine and wire
2	Clay hooks
3	Crop handling carts
4	Hay and manure forks
5	Hoes, mattocks, rakes and picks
6	Ladders designed for fruit picking

Table 13 – Hand Tools, Ties and Stakes

Item	Tangible personal property for farm purpose
7	Pruning shears and clippers, including pneumatic pruning shears and clippers, but not including air compressors
8	Raspberry picks
9	Scythes, snaths, sickles and blades
10	Sheep clippers
11	Shovels and spades
12	Stakes, posts and poles designed to support crops or trees, including related ties and clips
13	Tapeners

Table 14 – Other

Item	Tangible personal property for farm purpose
1	Animals, of a kind the products of which ordinarily constitute food for human consumption
2	Bell ring
3	Calf weaners
4	Containers obtained for use for packaging fruits, vegetables, flowers, plants, nursery stock and other similar products for marketing
5	Flame throwers
6	Float valves
7	Fruit tree weights
8	Fruit trees
9	Hay tarps
10	Horses, other than race horses and equestrian horses
11	Jute, plastic and paper bags
12	Livestock
13	Livestock chains
14	Livestock identification tags, including microchips obtained for use for attachment to livestock for electronic livestock monitoring, whether or not the tags are impregnated with insecticides or pesticides
15	Livestock semen
16	Nose plates
17	pH and electroconductivity meters
18	Picking bags
19	Plastic bale and silage bags
20	Pressure cleaners

Table 14 – Other

Item	Tangible personal property for farm purpose
21	Sand obtained for use for livestock bedding
22	Sawdust and shavings
23	Slicers designed for use by fur farmers
24	Soil anchors
25	Soil mixers
26	Straw
27	Tree pruning paint
28	Tree wound and grafting compound
29	Trees, shrubs and plants
30	Veterinary supplies, including insemination equipment, calf pullers, castration equipment, debeakers, dehorners, dilators, medication, restraints, sterilization equipment and syringes
31	Vibro Blenders

SCHEDULE 3

[am. B.C. Reg. 216/2013, App. 1, s. 28.]

(sections 1, 66 and 130)

FISHING EQUIPMENT FOR COMMERCIAL FISHING PURPOSE

Item	Fishing equipment
1	Aeration equipment
2	Anchors, anchor chain, links and shackles
3	Bait
4	Barometers
5	Batteries obtained for use for boats, gill net lights, radios and radio equipment
6	Bilge pumps obtained for use for pumping out water resulting from ice used for freezing or cooling fish
7	Black trawl anchors
8	Bluestone
9	Boat fenders
10	Boat hand bailers
11	Boathooks
12	Bolts obtained for use for attachment to a boat
13	Buoys obtained for use for indicating location of nets
14	Chain
15	Charts and navigating instruments

Item	Fishing equipment
16	Chocks obtained for use for attachment to a boat for guiding lines
17	Compression fittings obtained for use on a boat
18	Connectors obtained for use as part of fishing gear
19	Depth sounders
20	Dinghies
21	Direction finders
22	Electronic monitoring equipment designed for use for monitoring fishing activities, and software designed for use on such equipment
23	Engines obtained for use with boats, including outboard motors
24	Fast eye blocks
25	Fasteners made of galvanized steel, stainless steel, brass or galvanized brass
26	Fibreglass cloth and resin obtained for use for boat repairs
27	Fish hooks, sinkers, jigs, plugs, lures, spoons and spoon metal
28	Fish lines
29	Fish tags and tagging equipment
30	Floats obtained for use with fishing nets
31	Fog bells and horns
32	Fuel pumps
33	Gaffs
34	Galvanized steering blocks
35	Gill net lights
36	Gurdies
37	Heat-shield insulation blankets obtained for use for boat engines
38	Ice blankets
39	Loose hook blocks
40	Marine electrolysis eliminators
41	Marine paint
42	Metal shapes obtained for use on a boat to designate the type of boat or the direction in which fishing gear is set
43	Navigation lights
44	Net covers
45	Net dye
46	Oar locks and row locks
47	Oars
48	Otter trawl net leather
48.1	Pet food obtained for use as bait for shrimp
49	Plastic wood and putty

Item	Fishing equipment
50	Plumbing fittings obtained for use on a boat
51	Portlights
52	Propellers
53	Quadrants designed for rudders
54	Radar reflectors
55	Radios and radio equipment
56	Recorder paper
57	Refrigeration equipment designed for installation on boats
58	Rocking stabilizers
59	Rope obtained for use on a boat or with a fishing net
60	Safety-at-sea equipment, including the following: (a) buoyancy equipment; (b) clock stations and supplies; (c) fire axes and hatchets; (d) fire extinguishers and refills; (e) fire-fighting equipment; (f) flares and rockets; (g) immersion survival suits; (h) life rafts; (i) lifeboats and contents; (j) public address systems; (k) sprinkler systems
61	Sails
62	Ship clocks obtained for use on a boat
63	Ship-to-shore radio telephones, but not including cellular telephones
64	Signal bells
65	Sinks and toilets obtained for use on a boat
66	Snatch blocks obtained for use for holding fishing net lines
67	Steering wheels
68	Stoves and oil burners
69	Tarpaulins and hatch covers
70	Tide tables
71	Traps
72	Trolling bells
73	Trolling blocks obtained for use to guide fishing lines
74	Trolling springs and swivels obtained for use as part of fishing lines
75	Turnbuckles obtained for use to tighten wires on a mast
76	Underwater viewing scopes
77	Water pumps

Item	Fishing equipment
78	Winches
79	Wood manufactured for marine use if obtained for use for boat repairs
80	Zinc plates
81	6-volt, 12-volt and 32-volt lamps
82	20-amp and 30-amp electric cord ends obtained for use for moorage power

SCHEDULE 4

(sections 1, 49, 76 and 131)

TANGIBLE PERSONAL PROPERTY FOR AQUACULTURE PURPOSE

Item	Tangible personal property for aquaculture purpose
1	Aeration equipment, including compressors obtained for use to aerate water
2	Alarm equipment designed to alert to changes in water conditions
3	Antifoulants obtained for use on nets and boats
4	Aquacultural harvesting machines
5	Aquacultural planting machines
6	Artificial lighting systems obtained for use in hatchery and nursery operations to promote plant growth, including replacement bulbs for such lighting systems
7	Artificial seaweed
8	Automated shellfish nursery systems
9	Automatic analyzers for soil or water
10	Automatic feeders
11	Auxiliary generators
12	Bags and containers obtained for use for transporting or packaging aquaculture products
13	Barrels, styrofoam, whole logs and other items obtained for use for flotation, but not including structures supported by floats
14	Boats not exceeding 20 m in length, and motors for those boats
15	Booms obtained for use for lifting nets out of the water, other than pulleys and cranes attached to a boom
16	Cables
17	Centrifuges
18	Chains
19	Chemicals and pharmaceuticals

Item	Tangible personal property for aquaculture purpose
20	Closed bag containment systems, including pumps and waste management equipment integrated into the systems
21	Debyssing machines
22	Declumping machines
23	Dip nets and dip net bags
24	Disease identification kits
25	Disease monitoring kits
26	Dissolved oxygen meters
27	Egg graders
28	Egg incubators
29	Electric timing devices and controls for feeders
30	Electric timing devices and controls for water flow
31	Fabric and mesh
32	Fish feed
33	Fish tagging machines and tags
34	Fish tanks
35	Floats made of aluminum, galvanized steel, plastic, polyethylene or concrete, but not including structures supported by floats
36	Float valves to regulate water pressure
37	High-pressure washers
38	Kelp cleaning and processing machinery
39	Laboratory glassware
40	Ladder racks
41	Machinery and equipment designed for use to wash and grade aquatic animals or aquatic plants, but not including scales
42	Meters that measure temperature or salinity
43	Microscopes
44	Minerals, medications and nutrients for fish
45	Net pen units, but not including seine nets
46	Netting for cages or pens
47	Pearl nets, mussel socking and other netting designed for shellfish seed and grow-outs
48	Pelton wheels
49	pH meters
50	Polyethylene shellfish culture bags
51	Predator traps
52	Pumps obtained for use to pump water into or out of fish enclosures, but not including fish elevators or fresh water lenses

Item	Tangible personal property for aquaculture purpose
53	Qualifying all-terrain vehicles that have an engine with a displacement of 200 cc or greater and that are equipped with a carrying rack, platform or cargo box
54	Remote settling tanks obtained for use in the production of aquaculture products
55	Rope
56	Scallop ear hanging equipment, including ear hanging pins
57	Seaweed and kelp harvesters
58	Seed collectors, seed bivalves, seed, eggs, smolts and fry
59	Shackles or thimbles obtained for use in joining ropes, cables or chains in mooring systems
60	Steam generators obtained for use for cleaning hatcheries or nurseries
61	Temperature chart recorders
62	Trays, suspended from floats, obtained for use for growing oysters
63	Tumblers obtained for use in oyster grow-out operations
64	Water conditioning equipment
65	Water filters
66	Water sterilization equipment
67	Winches, hooks and grapnels obtained for use for placing and retrieving aquaculture equipment

SCHEDULE 5

Repealed. [B.C. Reg. 113/2026, App. 1, s. 7.]

SCHEDULE 6

[en. B.C. Reg. 196/2018, s. 2.]

(Part 5.1)

SPECIFIED MAJOR PROJECTS – KITIMAT LNG FACILITY (LNG CANADA)

Definitions

1 In this Schedule:

"liquefied natural gas" means natural gas from which natural gas liquids have been predominantly removed and that is liquefied;

"LNG facility" means the LNG facility specified in section 4;

"LNG plant" means the LNG plant specified in section 5;

"natural gas liquids" means butane, ethane, propane or pentanes plus and any other condensates, or any combination of them, whether in gaseous or liquid form;

"project" means the project specified in section 2.

Project

2 For the purposes of Part 5.1, the following activities constitute a project:

(a) constructing the LNG facility;

(b) equipping the LNG facility for initial operation;

(c) constructing anchorages, berthing areas and water access routes for the LNG facility, including, without limitation, placing navigational aids;

(d) constructing the Terminal A Extension project specified in section 6 of this Schedule;

(e) carrying out environmental measures described in section 7 of this Schedule.

Cut-off date for project

3 For the purposes of Part 5.1, the cut-off date for the project is the earliest of the following dates:

(a) the date that is 7 years after the date this section comes into force;

(b) the date on which the first 2 liquefaction trains of the LNG facility have been operated for the purpose of producing liquefied natural gas;

(c) the date on which the first 2 liquefaction trains of the LNG facility are, in the opinion of the director, capable of producing liquefied natural gas.

LNG facility

4 (1) Subject to subsection (2), for the purposes of this Schedule, the LNG facility is the facility that is to

(a) be constructed by LNG Canada Development Inc., and

(b) consist of all of the following:

(i) the LNG plant to be located in the District of Kitimat;

(ii) improvements to land that is

(A) subjacent to or contiguous with the LNG plant, and

(B) to be used for the operations of the LNG plant.

(2) The LNG facility does not include any of the following:

(a) a pig trap;

(b) a natural gas pipeline upstream of a pig trap;

(c) tangible personal property, or improvements to real property, used primarily in relation to a natural gas pipeline described in paragraph (b);

(d) a pipeline used to transport liquefied natural gas, natural gas liquids or natural gas from the LNG plant or the LNG facility, except a pipeline used for a purpose described in section 5 (c) (ii) or (iv);

(e) a vehicle or vessel that is used to transport liquefied natural gas or natural gas liquids from the LNG plant or the LNG facility.

LNG plant

5 For the purposes of this Schedule, the LNG plant consists of all of the following:

(a) tangible personal property and improvements to real property that are part of a series of systems used or intended to be used for liquefying natural gas, including, without limitation, tangible personal property and improvements to real property that are used or intended to be used for one or more of the following purposes:

(i) delivering natural gas to the series of systems;

(ii) receiving or measuring natural gas delivered to the series of systems;

(iii) removing natural gas liquids from natural gas and separating those liquids;

(iv) storing natural gas liquids;

(b) tangible personal property and improvements to real property that are part of the series of systems referred to in paragraph (a) and used or intended to be used for storing liquefied natural gas;

(c) tangible personal property and improvements to real property that are part of a series of systems used or intended to be used for one or more of the following purposes if the series of systems immediately follows the series of systems referred to in paragraph (a):

(i) measuring liquefied natural gas or natural gas liquids that are to be loaded for shipment or transmitted for regasification;

(ii) loading liquefied natural gas or natural gas liquids for shipment;

(iii) supporting the loading of liquefied natural gas or natural gas liquids for shipment;

(iv) transmitting liquefied natural gas for regasification;

(d) tangible personal property and improvements to real property that are used or intended to be used to generate electrical power if the electrical power is to be used primarily for the series of systems referred to in paragraph (a);

(e) tangible personal property and improvements to real property that are necessary for complying with health, safety and environmental standards required by law in relation to the use or intended use of the tangible personal property and improvements to real property that are described in paragraphs (a) to (d).

Terminal A Extension project

6 For the purposes of this Schedule, the Terminal A Extension project is the project specified in certificate T15–01 issued under the *Environmental Assessment Act*.

Environmental measures

7 For the purposes of this Schedule, actions are environmental measures if a person is required by law to carry out the actions to mitigate or otherwise offset impacts on fish,

wildlife, fish or wildlife habitat or the environment of the activities that the person carries out for the project.

Software – qualifying infrastructure

8 For the purposes of Part 5.1, the LNG plant is qualifying infrastructure for the project.

Electricity – qualifying worksites

9 For the purposes of Part 5.1, the following are qualifying worksites for the project:

(a) the LNG facility;

(b) a site that is used substantially for the project.

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AMENDMENTS NOT IN FORCE

Provincial Sales Tax Act

PROVINCIAL SALES TAX EXEMPTION AND REFUND REGULATION

B.C. Reg. 97/2013

amended by B.C. Reg. 113/2026

effective June 1, 2027

APPENDIX 2

1 Section 73 of the Provincial Sales Tax Exemption and Refund Regulation, B.C. Reg. 97/2013, is amended

(a) in subsection (1) by striking out "Subject to section 73.1, a related service provided***" and substituting "***A related service provided***",***

(b) by repealing subsection (1) (b) and substituting the following:

(b) tangible personal property that would be exempt from tax imposed under the Act if the tangible personal property were obtained on the date on which the service is provided, other than tangible personal property that would be exempt from tax

(i) under any of the provisions listed in section 57 (2) and (3) *[parts]* of this regulation, or

(ii) under section 9 (2) or (3) *[children's clothing and footwear]* or 10 *[used clothing and footwear]* of this regulation; ***, and***

(c) by repealing subsection (1) (h).

2 Sections 73.1, 83 (2) (a) and (d) and (3), (4), (5) and (6) and 84 are repealed.

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