

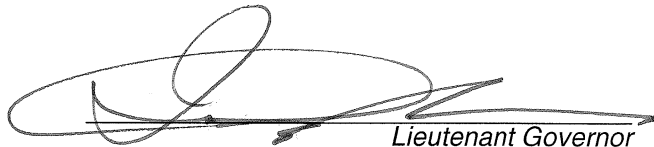
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. —

252

, Approved and Ordered

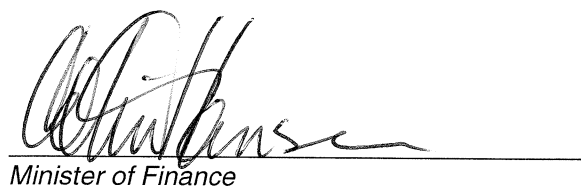
MAR 17 2005



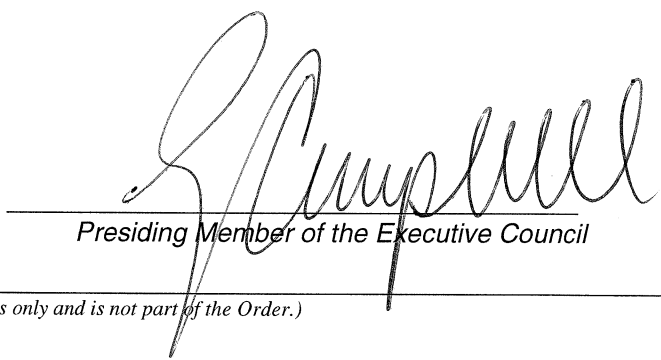
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective February 16, 2005, the Social Service Tax Act Regulations, B.C. Reg. 84/58, are amended as set out in the attached Schedule.



Minister of Finance



Presiding Member of the Executive Council

*(This part is for administrative purposes only and is not part of the Order.)*

Authority under which Order is made:

Act and section:- Social Service Tax Act, R.S.B.C. 1996, c. 431, ss. 130 (j), 138 (1) (j) and (j.1)

Other (specify):- OIC 1388/48

## SCHEDULE

**1** *Section 3.4 (1) (b) (i) of the Social Service Tax Act Regulations, B.C. Reg. 84/58, is repealed and the following substituted:*

- (i) the tangible personal property is exempt from tax under section 76 (1) (b), (c), (c.1) or (d) of the Act or section 3.20 (2), 13.10.3 (2) or 15.1 of this regulation, or .

**2** *Section 3.20 is amended*

*(a) by renumbering the section as section 3.20 (1), and*

*(b) by adding the following subsections:*

(2) The following are exempt from tax under the Act if purchased or leased for residential purposes:

- (a) gas-fired forced-air furnaces, boilers, air-source heat pumps and ground-source heat pumps if, at the time of purchase or lease, the furnaces, boilers or heat pumps are listed as being “ENERGY STAR Qualified” by the Office of Energy Efficiency, Natural Resources Canada;
- (b) oil-fired forced-air furnaces that have an SEUE rating of at least 85%.

(3) In subsection (2),

**“heat pump”** means all major components integral to a heat pump system, including

- (a) evaporator, coils, condenser, compressor, accumulator, expansion device, heat exchanger, valves, fans, blowers, pumps and controls, and
- (b) piping, refrigerant solutions circulated within closed-loop heat pump systems and energy-efficient recovery thermostats,

but not including

- (c) ductwork or other heating distribution systems used to circulate air in a residence,
- (d) generic thermostats, or
- (e) supplementary heating systems not integral to a heat pump system;

**“SEUE rating”** means the Seasonal Energy Utilization Efficiency rating scheme established under the *Energy Efficiency Act* (Canada).

(4) If a contractor has paid tax on or in respect of a furnace, boiler or heat pump that

- (a) is referred to in subsection (2),
- (b) was purchased by the contractor for use in fulfilling a lump-sum or fixed-price contract, and
- (c) has not, before February 16, 2005, been installed,

the commissioner must, on application made before February 16, 2006, and on receipt of evidence satisfactory to the commissioner, pay out of the consolidated revenue fund a refund to the contractor in an amount equal to the tax the contractor paid.

- (5) Section 81 of the Act applies to subsection (4).
- (6) Subsections (2), (3), (4) and (5) are repealed on April 1, 2007.

**3 Section 11.3 is repealed and the following substituted:**

**Tax reductions**

- 11.3** (1) In this section, “**pre-reduction amount**” means
- (a) the amount of tax that would have been payable under the Act on the purchase of an alternative fuel vehicle, or
  - (b) the sum of the amounts of tax that would have been payable under the Act on every lease price payable under a lease of an alternative fuel vehicle but for this section and section 75 (2) of the Act.
- (2) For the purposes of section 75 (2) of the Act,
- (a) the tax payable by a purchaser of an alternative fuel vehicle is reduced by the applicable amount set out in subsection (3), and
  - (b) subject to subsection (4), the tax payable by a lessee who, under an agreement made on or after February 16, 2005, leases an alternative fuel vehicle for a continuous period of at least 12 months is reduced by the applicable amount set out in subsection (3).
- (3) The amount of a tax reduction for the purposes of subsection (2) is as follows:
- (a) in the case of an alternative fuel vehicle other than a passenger bus, a shuttle bus or a hybrid electric vehicle, the smaller of the following amounts:
    - (i) 50% of the pre-reduction amount;
    - (ii) \$1 000;
  - (b) in the case of an alternative fuel vehicle that is a passenger bus, the smaller of the following amounts:
    - (i) 50% of the pre-reduction amount;
    - (ii) \$10 000;
  - (c) in the case of an alternative fuel vehicle that is a shuttle bus, the smaller of the following amounts:
    - (i) 50% of the pre-reduction amount;
    - (ii) \$5 000;
  - (d) in the case of an alternative fuel vehicle that is a hybrid electric vehicle but not a passenger bus or a shuttle bus, the smaller of the following amounts:
    - (i) the pre-reduction amount;
    - (ii) \$2 000.
- (4) A lessee’s tax reduction must first be applied against the amount of tax otherwise payable on the lessee’s down payment on the lease of the alternative fuel vehicle, and the balance of the reduction must be applied, proportionally, against the amount of tax otherwise payable on the remaining lease payments.

- (5) Despite subsections (6) and (7), the amount of a lessee's tax reduction with respect to all lease payments made under the lease must be determined in accordance with subsection (3) as it read at the time the lease agreement was made.
- (6) Effective April 1, 2008, subsection (3) (d) is repealed and the following substituted:
  - (d) in the case of an alternative fuel vehicle that is a hybrid electric vehicle but not a passenger bus or a shuttle bus, the smaller of the following amounts:
    - (i) the pre-reduction amount;
    - (ii) \$1 000.
- (7) Subsection 3 (d) is repealed on April 1, 2009.

**Transitional**

- 4** Despite section 2 of this Schedule, section 11.3 of the Social Service Tax Regulations, B.C. Reg. 84/58, as it read before the coming into force of section 2 of this Schedule, continues to apply to leases entered into before February 16, 2005.