

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 535

, Approved and Ordered October 24, 2022



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,

- (a) effective February 23, 2022,
 - (i) the Provincial Sales Tax Exemption and Refund Regulation, B.C. Reg. 97/2013, is amended as set out in the attached Schedule 1, and
 - (ii) the Provincial Sales Tax Regulation, B.C. Reg. 96/2013, is amended as set out in the attached Schedule 2, and
- (b) effective February 23, 2027,
 - (i) the Provincial Sales Tax Exemption and Refund Regulation, B.C. Reg. 97/2013, is amended as set out in the attached Schedule 3, and
 - (ii) the Provincial Sales Tax Regulation, B.C. Reg. 96/2013, is amended as set out in the attached Schedule 4.



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: *Budget Measures Implementation Act, 2022, S.B.C. 2022, c. 11, s. 129,
Provincial Sales Tax Act, S.B.C. 2012, c. 35, ss. 236, 238 and 241*

Other: OIC 129/2013; OIC 130/2013

R30584577

SCHEDULE 1

1 Section 55 of the Provincial Sales Tax Exemption and Refund Regulation, B.C. Reg. 97/2013, is amended by

(a) renumbering subsection (1) as subsection (1.1),

(b) adding the following subsection:

(1) In this section, “**used zero-emission vehicle**” means a zero-emission vehicle that

(a) was previously purchased at a retail sale for a purpose other than for the purpose only of leasing the zero-emission vehicle to other persons, or

(b) was previously leased by a person other than

(i) the lessee, or

(ii) a person who is exempt from tax under section 142 (2) of the Act. ,

(c) in subsection (1.1) by adding the following paragraph:

(e) subject to subsection (4), a used zero-emission vehicle. , **and**

(d) by adding the following subsection:

(4) subsection (1.1) (e) does not apply in respect of a used zero-emission vehicle in the following circumstances:

(a) the used zero-emission vehicle was received as a gift and at the time the person received the gift the odometer reading was less than 6 000 km;

(b) the used zero-emission vehicle was acquired at a sale in Canada that is not a taxable supply by a registrant under Part IX of the *Excise Tax Act* and at the time of sale the odometer reading was less than 6 000 km.

2 Section 57 (3) is amended by adding the following paragraph:

(o.1) section 55 (1.1) (e) [*exemptions in relation to used zero-emission vehicles*]; .

SCHEDULE 2

1 Section 25 (1) of the Provincial Sales Tax Regulation, B.C. Reg. 96/2013, is amended by adding the following definition:

“**used zero-emission vehicle**” has the same meaning as in section 55 (1) [*exemptions in relation to transportation*] of the Provincial Sales Tax Exemption and Refund Regulation.

2 Section 26 is amended

(a) in subsection (4)

(i) by adding “, other than zero-emission vehicles,” after “in respect of the dealer-use vehicles”, and

(ii) *in the description of “users” by adding “and zero-emission vehicles” after “other than courtesy cars”,*

(b) *in subsection (5)*

(i) *in the description of “total value” by adding “, other than zero-emission vehicles,” after “in respect of each vehicle”, and*

(ii) *in the description of “total vehicles” by adding “, other than zero-emission vehicles,” after “the total number of vehicles”,*

(c) *in subsection (6)*

(i) *by adding “, other than zero-emission vehicles,” after “are business vehicles of the dealer”, and*

(ii) *in the description of “number of vehicles” by adding “, other than zero-emission vehicles,” after “used by the dealer as business vehicles”,*

(d) *in subsection (7)*

(i) *by adding “, not including zero-emission vehicles,” after “a dealer’s average vehicle value”,*

(ii) *in the description of “total value” by adding “, other than zero-emission vehicles,” after “in respect of each vehicle”, and*

(iii) *in the description of “total vehicles” by adding “, other than zero-emission vehicles,” after “the total number of vehicles”, and*

(e) *by adding the following subsections:*

(8) For the purposes of section 84.1 (2) and (3) of the Act, the amount of tax payable by a dealer in respect of the dealer-use vehicles that are zero-emission vehicles, other than used zero-emission vehicles, and that are used in a month only for a use prescribed under subsection (3) (a) (i) or (ii) of this section is equal to the amount calculated by the following formula:

tax payable = 1.75% (average ZEV value × users × applicable percentage)

where

average ZEV value = the dealer’s average zero-emission vehicle value for the month as determined under subsection (9);

users = the number of the dealer’s employees authorized to use dealer-use vehicles that are zero-emission vehicles, other than courtesy cars and used zero-emission vehicles, during that month;

applicable percentage = as follows:

(a) 7%, if the dealer’s average ZEV value for the month is less than \$75 000;

(b) 8%, if the dealer’s average ZEV value for the month is \$75 000 or more but less than \$76 000;

- (c) 9%, if the dealer's average ZEV value for the month is \$76 000 or more but less than \$77 000;
- (d) 10%, if the dealer's average ZEV value for the month is \$77 000 or more but less than \$125 000;
- (e) 15%, if the dealer's average ZEV value for the month is \$125 000 or more but less than \$150 000;
- (f) 20%, if the dealer's average ZEV value for the month is \$150 000 or more.

(9) For the purposes of subsection (8), a dealer's average ZEV value for a month is equal to the amount determined by the following formula:

$$\text{average ZEV value} = \frac{\text{total ZEV value}}{\text{total ZEV}}$$

where

total ZEV value = the total of the following applicable amounts in respect of each zero-emission vehicle, other than a used zero-emission vehicle, that at the end of the month is in the dealer's sale or lease inventory for British Columbia in which the dealer-use vehicles are held:

- (a) the total consideration paid for the zero-emission vehicle by the dealer;
- (b) the costs and expenses described in section 10 (2) (f) of the Act and incurred by the dealer in respect of the zero-emission vehicle;
- (c) the dealer's costs in manufacturing the zero-emission vehicle;
- (d) if tax is payable under section 84.1 (3) of the Act, the total consideration paid by the dealer for the tangible personal property that is exempt from tax under section 141 (1) (a) of the Act and that has been processed, fabricated or manufactured into, attached to or incorporated into the zero-emission vehicle;

total ZEV = the total number of zero-emission vehicles, other than used zero-emission vehicles, that at the end of the month are in the dealer's sale or lease inventory for British Columbia in which the dealer-use vehicles are held.

(10) For the purposes of section 84.1 (2) and (3) of the Act, the amount of tax payable by a dealer in respect of zero-emission vehicles, other than used zero-emission vehicles, that, in a month, are business vehicles of the dealer is equal to the amount calculated by the following formula:

tax payable = 1.75% (average ZEV value × number of ZEV × applicable percentage)

where

average ZEV value = the dealer's average zero-emission vehicle value for the month as determined under subsection (11);

number of ZEV = the number of zero-emission vehicles, other than used zero-emission vehicles, used by the dealer as business vehicles during that month;

applicable percentage = as follows:

- (a) 7%, if the dealer's average ZEV value for the month is less than \$75 000;
- (b) 8%, if the dealer's average ZEV value for the month is \$75 000 or more but less than \$76 000;
- (c) 9%, if the dealer's average ZEV value for the month is \$76 000 or more but less than \$77 000;
- (d) 10%, if the dealer's average ZEV value for the month is \$77 000 or more but less than \$125 000;
- (e) 15%, if the dealer's average ZEV value for the month is \$125 000 or more but less than \$150 000;
- (f) 20%, if the dealer's average ZEV value for the month is \$150 000 or more.

- (11) For the purposes of subsection (10), a dealer's average ZEV value for a month is equal to the amount determined by the following formula:

$$\text{average ZEV value} = \frac{\text{total ZEV value}}{\text{total ZEV}}$$

where

total ZEV value = the total of the following applicable amounts in respect of each zero-emission vehicle, other than a used zero-emission vehicle, that at the end of the month is in the dealer's sale or lease inventory for British Columbia in which the dealer's business vehicles are held:

- (a) the total consideration paid for the zero-emission vehicle by the dealer;
- (b) the costs and expenses described in section 10 (2) (f) of the Act and incurred by the dealer in respect of the zero-emission vehicle;
- (c) the dealer's costs in manufacturing the zero-emission vehicle;

- (d) if tax is payable under section 84.1 (3) of the Act, the total consideration paid by the dealer for the tangible personal property that is exempt from tax under section 141 (1) (a) of the Act and that has been processed, fabricated or manufactured into, attached to or incorporated into the zero-emission vehicle;

total ZEV = the total number of zero-emission vehicles, other than used zero-emission vehicles, that at the end of the month are in the dealer's sale or lease inventory for British Columbia in which the dealer's business vehicles are held.

3 Section 27 is amended

(a) in subsection (3)

- (i) **by adding** “that is not a zero-emission vehicle” **after** “in respect of a donated vehicle”, **and**
- (ii) **in the description of** “number of vehicles” **by adding** “that are not zero-emission vehicles” **after** “used as donated vehicles”,

(b) in subsection (4)

- (i) **by adding** “in respect of vehicles that are not zero-emission vehicles” **after** “a manufacturer's average vehicle cost”,
- (ii) **in the description of** “total value” **by adding** “that is not a zero-emission vehicle” **after** “each vehicle” **and by adding** “, that are not zero-emission vehicles,” **after** “all of the manufacturer's donated vehicles”,
- (iii) **in paragraph (a) of the description of** “total vehicles” **by adding** “, that are not zero-emission vehicles,” **after** “the total number of vehicles”, **and**
- (iv) **in paragraph (b) of the description of** “total vehicles” **by adding** “that are not zero-emission vehicles and” **after** “the total number of the manufacturer's donated vehicles”, **and**

(c) by adding the following subsections:

- (5) For the purposes of section 84.1 (4) and (5) of the Act, the amount of tax payable by a manufacturer in respect of a donated vehicle, that is a zero-emission vehicle, other than a used zero-emission vehicle, used for a use prescribed under subsection (2) of this section is equal to the amount calculated by the following formula:

$$\text{tax payable} = 1.75\% (\text{average ZEV cost} \times \text{number of ZEV} \times \text{applicable percentage})$$

- where
- average ZEV cost = the manufacturer's average zero-emission vehicle cost for the month as determined under subsection (6);
- number of ZEV = the number of zero-emission vehicles, other than used zero-emission vehicles, used as donated vehicles during that month;
- applicable percentage = as follows:
- (a) 7%, if the manufacturer's average ZEV cost for the month is less than \$75 000;
 - (b) 8%, if the manufacturer's average ZEV cost for the month is \$75 000 or more but less than \$76 000;
 - (c) 9%, if the manufacturer's average ZEV cost for the month is \$76 000 or more but less than \$77 000;
 - (d) 10%, if the manufacturer's average ZEV cost for the month is \$77 000 or more but less than \$125 000;
 - (e) 15%, if the manufacturer's average ZEV cost for the month is \$125 000 or more but less than \$150 000;
 - (f) 20%, if the manufacturer's average ZEV cost for the month is \$150 000 or more.

(6) For the purposes of subsection (5), a manufacturer's average ZEV cost for a month is equal to the amount determined by the following formula:

$$\text{average ZEV cost} = \frac{\text{total ZEV value}}{\text{total ZEV}}$$

- where
- total ZEV value = the total of the following applicable amounts in respect of each zero-emission vehicle, other than a used zero-emission vehicle, that at the end of the month is in the manufacturer's sale or lease inventory for British Columbia in which the donated vehicles are held or, if the manufacturer does not have a sale or lease inventory for British Columbia, in respect of all of the manufacturer's donated vehicles that are zero-emission vehicles, other than used zero-emission vehicles, and are in British Columbia at the end of the month:
- (a) the costs and expenses described in section 10 (2) (f) of the Act and incurred by the manufacturer in respect of the zero-emission vehicle;

- (b) the manufacturer's costs in manufacturing the zero-emission vehicle;
- (c) if tax is payable under section 84.1 (5) of the Act, the total consideration paid by the manufacturer for the tangible personal property that is exempt from tax under section 141 (1) (a) of the Act and that has been processed, fabricated or manufactured into, attached to or incorporated into the zero-emission vehicle;
- total ZEV = one of the following:
- (a) the total number of zero-emission vehicles, other than used zero-emission vehicles, that at the end of the month are in the manufacturer's sale or lease inventory for British Columbia in which the donated vehicles are held;
- (b) if the manufacturer does not have a sale or lease inventory for British Columbia, the total number of the manufacturer's donated vehicles that are zero-emission vehicles, other than used zero-emission vehicles, and are in British Columbia at the end of the month.

SCHEDULE 3

- 1 Section 55 of the Provincial Sales Tax Exemption and Refund Regulation, B.C. Reg. 97/2013, is amended by**
- (a) repealing subsection (1),**
- (b) in subsection (1.1), repealing paragraph (e), and**
- (c) repealing subsection (4).**
- 2 Section 57 (3) (o.1) is repealed.**

SCHEDULE 4

- 1 Section 25 (1) of the Provincial Sales Tax Regulation, B.C. Reg. 96/2013, is amended by repealing the definition of "used zero-emission vehicle".**
- 2 Section 26 is amended**
- (a) in subsection (4)**
- (i) by striking out " , other than zero-emission vehicles," after "in respect of the dealer-use vehicles", and**
- (ii) in the description of "users" by striking out "and zero-emission vehicles" after "other than courtesy cars",**

(b) in subsection (5)

- (i) in the description of “total value” by striking out “, other than zero-emission vehicles,” after “in respect of each vehicle”, and**
- (ii) in the description of “total vehicles” by striking out “, other than zero-emission vehicles,” after “the total number of vehicles”,**

(c) in subsection (6)

- (i) by striking out “, other than zero-emission vehicles,” after “are business vehicles of the dealer”, and**
- (ii) in the description of “number of vehicles” by striking out “, other than zero-emission vehicles,” after “used by the dealer as business vehicles”,**

(d) in subsection (7)

- (i) by striking out “, not including zero-emission vehicles,” after “a dealer’s average vehicle value”,**
- (ii) in the description of “total value” by striking out “, other than zero-emission vehicles,” after “in respect of each vehicle”, and**
- (iii) in the description of “total vehicles” by striking out “, other than zero-emission vehicles,” after “the total number of vehicles”, and**

(e) by repealing subsections (8) to (11).

3 Section 27 is amended

(a) in subsection (3)

- (i) by striking out “that is not a zero-emission vehicle” after “in respect of a donated vehicle”, and**
- (ii) in the description of “number of vehicles” by striking out “that are not zero-emission vehicles” after “used as donated vehicles”,**

(b) in subsection (4)

- (i) by striking out “in respect of vehicles that are not zero-emission vehicles” after “a manufacturer’s average vehicle cost”,**
- (ii) in the description of “total value” by striking out “that is not a zero-emission vehicle” after “each vehicle” and by striking out “, that are not zero-emission vehicles,” after “all of the manufacturer’s donated vehicles”,**
- (iii) in paragraph (a) of the description of “total vehicles” by striking out “, that are not zero-emission vehicles,” after “the total number of vehicles”, and**
- (iv) in paragraph (b) of the description of “total vehicles” by striking out “that are not zero-emission vehicles and” after “the total number of the manufacturer’s donated vehicles”, and**

(c) by repealing subsections (5) to (6).