



Provincial Sales Tax (PST) Notice

Notice 2020-003

Issued: May 2020

Multijurisdictional Vehicles – COVID-19 Update

Provincial Sales Tax Act

This notice explains temporary measures introduced to support the commercial transport industry in light of COVID-19.

Exit Tax Waived

Effective May 4, 2020, you are not required to pay the exit tax explained in [Bulletin PST 135, Multijurisdictional Vehicles](#), to the Insurance Corporation of British Columbia (ICBC), if:

- you purchased the vehicle before May 4, 2020, and
- between March 11, 2020 and September 30, 2020, you cancel the prorate licence for the vehicle and obtain a licence for use solely within BC.

Example 1:

You purchased a vehicle for your multijurisdictional vehicle (MJV) fleet on November 15, 2019. On April 15, 2020, you cancelled the prorate licence for the vehicle and obtained a regular BC commercial licence. Exit tax does not apply because you purchased the vehicle before May 4, 2020, and you cancelled the prorate licence and obtained a licence for use solely within BC between March 11, 2020 and September 30, 2020.

Example 2:

You purchase a vehicle for your MJV fleet on May 5, 2020. On July 31, 2020, you cancel the prorate licence for the vehicle and obtain a regular BC commercial licence. Exit tax applies because you purchased the vehicle after May 4, 2020.

Example 3:

You purchased a vehicle for your MJV fleet on January 1, 2018. On October 15, 2020, you cancel the prorate licence for the vehicle and obtain a regular BC commercial licence. Exit tax applies because you cancelled the prorate licence and obtained a licence for use solely within BC after September 30, 2020.

As explained in [Bulletin PST 135, Multijurisdictional Vehicles](#), if the exit tax applies at the time a vehicle is licensed for use solely within BC, the amount of tax collected by ICBC is automatically reduced by a credit. Effective May 4, 2020, if you are not required to pay exit tax because your vehicle meets the criteria set out above, you are not entitled to this credit. However, you may be eligible for a refund from ICBC (see below).

Note: If a vehicle ceases to be prorate licensed and you obtain a new prorate licence for that vehicle before the end of the original vehicle licence period, you must pay MJV tax when you obtain the new prorate licence for the remainder of that period.

Refunds Available from ICBC if Vehicle Ceases to be Prorate Licensed

As explained in [Bulletin PST 135](#), *Multijurisdictional Vehicles*, two categories of refunds for prepaid MJV tax are available when vehicles cease to be prorated licensed:

1. Refund Due to Non-Prorate Licensing

A person who obtained the previous prorated licence for the vehicle may apply for a refund if:

- the vehicle becomes licensed for use solely within BC and no exit tax is generally payable (e.g. because the vehicle is leased or because the vehicle, under its current ownership, has been previously licensed for use solely within BC), or
- the vehicle becomes licensed for use within another jurisdiction and is not licensed for use within BC.

2. Refund Due to Unlicensed or Overlapping Periods

A person who obtained the prorated licence for the vehicle may apply for a refund **after** the end of the original vehicle licence period if a vehicle ceases to be prorated licensed before the end of the vehicle licence period and it does not become licensed for use solely within BC.

Normally, you must apply to us for the refunds described above. However, effective May 4, 2020, ICBC may provide a refund to you if your vehicle ceases to be prorated licensed on a date that is:

- within the vehicle licence period, and
- between March 11, 2020 and September 30, 2020.

If you are eligible for a refund due to unlicensed or overlapping periods and your vehicle meets these new refund criteria, ICBC may now provide the refund to you **before** the end of the original vehicle licence period.

In addition, effective May 4, 2020, if you are not required to pay exit tax and your vehicle ceases to be prorated licensed on a date that is within the vehicle licence period and between March 11, 2020 and September 30, 2020, ICBC may provide a refund to you (see Exit Tax Waived above).

To cancel your prorated licence and receive a refund, please contact the [ICBC Prorate Office](#).

If you do not receive a refund from ICBC, you may apply to us for the refund by completing an *Application for Refund of Provincial Sales Tax (PST) – Multijurisdictional Vehicles* ([FIN 355/MJV](#)) and providing the supporting documentation listed in the instructions to the form. Use refund reason number 4, 5 or 7 and provide the supporting documents applicable to the scenario for your vehicle.

If you receive a refund from ICBC on a vehicle that ceases to be prorated licensed, you cannot claim a refund on the same vehicle from us.

You cannot claim a refund from either ICBC or us if any of the following situations apply. If you do receive a refund, you must repay the amount of the refund to us.

- You (or a person who obtains the prorated licence under the second fleet) received a credit or refund on a fleet-to-fleet transfer for the same vehicle and the same vehicle licence period.
- You (or a person who obtains the prorated licence for the new vehicle) received a credit or refund on a trade-in for the same vehicle and the same vehicle licence period.

- You received a refund due to non-prorate licensing or due to unlicensed or overlapping periods from us for the same vehicle and the same vehicle licence period.

If you claim a refund from us, we must receive your claim within four years from the date you paid the tax. For example, if you paid tax on August 11, 2019, your refund claim must be received by August 11, 2023.

A refund cannot be issued for less than \$10.

Further Information

Online: gov.bc.ca/pst

Toll free: 1-877-388-4440

Email: CTBTaxQuestions@gov.bc.ca

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The information in this notice is for your convenience and guidance and is not a replacement for the legislation.