

British Columbia

For residents or organizations carrying out activities in British Columbia two different tax reduction benefits are available when a hybrid vehicle is purchased.

1. Reduction of Social Services Tax

A. Passenger Vehicles

The Provincial Government offers a point of sale reduction of the Social Services Tax (commonly known as the Provincial Sales Tax) on the purchase or lease of a hybrid electric or alternative fuel vehicle.

Qualifying hybrid electric vehicles (not passenger buses or shuttle buses) are eligible for a temporary, but increased, 100% point of sale tax reduction to a maximum of \$2,000. The tax reduction applies to all new qualifying hybrid electric vehicles purchased or leased on or after February 16, 2005 and before April 1, 2011. This tax concession will be eliminated on April 1, 2011.

B. Shuttle Buses

A shuttle bus is considered a bus with a seating capacity of 14 to 29 passengers. The Provincial Government offers a partial rebate of the Social Services Tax for these vehicles.

Effective February 16, 2006, Purchasers are entitled to the lesser of either:

- * 50% of the tax paid on the purchase or lease of the vehicle; or
- * \$5,000

C. Passenger Buses

A passenger bus is considered a bus with a seating capacity of 30 or more passengers. The Provincial Government offers a partial rebate of the Social Services Tax for these vehicles.

Effective February 16, 2006, Purchasers are entitled to the lesser of either:

- * 50% of the tax paid on the purchase or lease of the vehicle; or
- * \$10,000

Here is a refund form available for IMPORTED vehicles only. (pdf)

2. Tax Rate Reduction

This tax rate reduction is applicable only to hybrid vehicles that cost more than \$49,000.

The social services tax rate applicable to a new or leased vehicle is a function of the price. Up to \$49,000 the social services tax rate is 7.0%. At prices greater than \$49,000 the social services tax rate increases for each \$1000 increase in price up to a ceiling of \$51,000. At \$51,000 the applicable tax rate is 10%.

Hybrid vehicles with a purchase price greater than \$49,000 are eligible for a reduction in the applicable provincial tax rate. The applicable tax rate level is determined by subtracting a government determined factor of \$7,000 from the purchase price of the vehicle. The tax rate is then applied to the full amount of the purchase price.

Here is a simple example of the possible tax savings: EXAMPLE ONLY

Purchase Price of Vehicle	\$51,000	Applicable Tax Rate	10%	Tax Payable without Tax Benefit	\$5,100	
Purchase Price of Hybrid Vehicle	\$51,000	Less: \$7,000 for Calculation Purposes		Deemed Purchase Price	\$44,000	
New Applicable Tax Rate		7%	Net Tax Payable after Tax Benefit	\$3,570	TAX SAVINGS	\$1,530

The motor vehicle dealer applies this lower tax rate at the time of purchase.

IMPORTANT

For complete information on tax benefits please see the Government of British Columbia's Bulletin SST 085, Alternative Fuel Vehicles and Alternative Motor Fuel Tax Concessions (pdf)