

Ministry of Finance

Tax Notice



ISSUED: April 1, 2020

Notice 2020-002

gov.bc.ca/salestaxes

COVID-19 – Sales Tax Changes

Carbon Tax Act, Motor Fuel Tax Act, Provincial Sales Tax Act and Tobacco Tax Act

This notice explains how the tax changes announced as part of BC's [COVID-19 Action Plan](#) apply to each of the four sales taxes.

This notice may be updated. Subscribe to our [What's New](#) page to ensure you receive regular updates about BC sales taxes.

Deferred Sales Tax or Security Payments

Effective March 23, 2020, the filing and payment due dates for the following sales taxes are extended to September 30, 2020:

- Carbon tax
- Motor fuel tax, including the International Fuel Tax Agreement
- Provincial sales tax (PST), including the municipal and regional district tax on accommodation
- Tobacco tax

Tax returns and payments with due dates after March 23, 2020 and before September 30, 2020 will now be due September 30, 2020. This deferral is automatic and no action, such as an application, is required on your part.

In September, you may make a lump-sum payment, however you must submit separate returns for each of your reporting periods. If you prefer, you may continue to file your returns according to your usual reporting periods and defer your payments until September 30, 2020. After September 30, 2020, returns for all sales taxes will be due on their usual due dates.

Due dates vary between carbon tax, motor fuel tax, PST and tobacco tax. The following two examples are for PST filers.

Example 1

You are a monthly filer. Your return and payment for the February reporting period are normally due on March 31. However, the new due date for this period is September 30, 2020. The returns and payments for the March through August reporting periods are also due on September 30, 2020. Your return and payment for the September reporting period are unchanged and due on October 31, 2020.

Example 2

You are a quarterly filer. Your January 1 – March 31, 2020 return and payment are normally due on April 30, 2020. However, the new due date for this period is September 30, 2020. Your July 1 – September 30, 2020 return and payment dates are unchanged and due on October 31, 2020.

Motor Fuel and Carbon Tax

Delayed Carbon Tax Increase

Carbon tax rates will remain at their current levels until further notice. The alignment of carbon tax rates with the federal carbon pricing backstop methodology as announced in [Budget 2020](#) is also postponed until further notice. When referring to the [Tax Schedule](#), refer to the tax rates by fuel type for **April 1, 2019 and not April 1, 2020** until further notice.

Until further notice, continue to use the carbon tax returns and refund applications with the reporting period of April 1, 2019 – March 31, 2020 for reporting periods beyond March 31, 2020.

Do not file the *Carbon Tax Return – Inventory (FIN 103)* as previously instructed in the *Notice to Deputy Collectors and Retail Dealers – Fuel Inventory* issued in March 2020. These returns will not be processed at this time.

International Fuel Taxation Agreement (IFTA) Commercial Carriers

Until further notice, IFTA carriers entitled to a refund on or after April 1, 2020 will receive refunds at the rates in effect on April 1, 2019.

Provincial Sales Tax

PST Registrants

You have the option to temporarily close your PST account if you are stopping business operations. To close your PST account, submit a closure request [online using eTaxBC](#), or submit a *Request to Close Provincial Sales Tax Account (FIN 357)*.

Self-Assessing the PST

If you are required to self-assess PST, you may also defer your returns and payments until September 30, 2020.

Budget 2020 PST Changes Delayed

The following tax changes announced in [Budget 2020](#) will be postponed until further notice:

- Eliminating the PST exemption for carbonated beverages that contain sugar, natural sweeteners or artificial sweeteners
- Expanded registration requirements for Canadian sellers of goods, along with Canadian and foreign sellers of software and telecommunication services

Municipal and Regional District Tax

The disbursement of the municipal and regional district tax (MRDT) on accommodation collected on behalf of municipalities and regional districts for tourism promotion will continue. However, as short-term accommodation providers defer their MRDT remittances or close their businesses, disbursements to municipalities and regional districts for the purposes of tourism marketing may be reduced. MRDT administration fees paid by the municipalities and regional districts will be waived during the deferral period.

General Information

You must continue to include sales taxes on your invoices and collect the taxes from your customers. The deferral applies only to filing and paying the taxes to us.

Further Information

Online: gov.bc.ca/salestaxes

Toll free: 1-877-388-4440

Email: CTBTaxQuestions@gov.bc.ca

Subscribe to our [What's New in B.C. Sales Taxes](#) page and to the [COVID-19 Updates: Provincial Tax & Revenue Changes](#) page to receive email updates when information changes.

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