

***When is a person required to pay Revenue Tax (PST) on the purchase of a boat?***

Whenever a person purchases a taxable good, such as a boat, for use or consumption on Prince Edward Island, the purchaser is required to pay PST. If the purchase is made from a licensed dealer on PEI, the dealer will collect the tax on behalf of the Department of Finance and Municipal Affairs. If the purchase is made privately, or out-of-province, then it is the responsibility of the purchaser to report the purchase and pay the PST.

***Does PST apply if a boat is purchased out of province?***

Yes. If a resident of PEI purchases a boat out-of-province and brings it into PEI, the purchaser is required to report the purchase and pay PST.

***What if the owner doesn't live in PEI, but keeps a boat on PEI year round?***

If a person who does not live in PEI brings a boat into PEI and this boat will stay in PEI year round, PST is payable, even if the boat is not a recent purchase.

***What if I am moving to PEI to take up residence?***

If an individual takes up residence in PEI, household goods, including a boat, may be brought into the province under certain conditions as settlers' effects without payment of PST.

***If HST was paid on the purchase of a boat, is the purchaser responsible for payment of the PST?***

Yes, PST is payable on all taxable goods purchased for consumption or use in PEI, even if HST or another jurisdiction's sales tax was paid at the time of purchase.

If HST was paid, the purchaser may be eligible for a refund of the provincial portion of HST. For information on HST refunds please contact the Canada Revenue Agency.

***How much PST is charged?***

The PST rate is 10% of the fair value, i.e. the purchase price in Canadian funds including any GST or duties paid, as well as any fees paid to ship the goods into the province. If the boat was not purchased recently, tax is due on the fair value of the boat at the time it is brought into the province.

***Is PST payable if the boat was acquired by trade?***

PST is payable on the difference between the fair market values of the traded goods when

- (A) a boat is acquired by trade from a motor vehicle or boat dealer resident in PEI or
- (B) a boat is acquired by trade for a motor vehicle, all terrain vehicle, snowmobile or watercraft from a person residing in the province.

If a trade is made out-of-province, PST is payable on the fair value of the good acquired by trade, with no reduction for the value of a trade.

***What happens if a taxpayer doesn't self-assess?***

Reporting the purchase and payment of PST is a legal obligation. If boat owners do not report the purchase of a boat and pay PST, the province may assess the taxpayer for the PST owing on the purchase plus interest at the rate of 1.5% per month from the date the goods were purchased or brought into the province.

***How does an individual report purchases and pay PST?***

PST can be paid by completing a "Revenue Tax (PST) Self-declaration" form and returning it, with receipts and payment, to Taxation and Property Records or any Access PEI Centre. This form is available at: [www.taxandland.pe.ca/forms](http://www.taxandland.pe.ca/forms)

For more information on taxation, contact:

Taxation and Property Records  
Department of Finance and  
Municipal Affairs  
PO Box 1330  
Charlottetown, PE C1A 7N1  
Tel: (902) 368-4171  
Fax: (902) 368-6164  
Website: [www.taxandland.pe.ca](http://www.taxandland.pe.ca)  
Email: [taxandland@gov.pe.ca](mailto:taxandland@gov.pe.ca)

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