

RTG: 152

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## MOTOR VEHICLE REPAIRS

All repairs to motor vehicles (cars and trucks) in Prince Edward Island are subject to provincial revenue tax (PST) on the GST included cost of both parts and labour.

New and used motor vehicle dealers having repairs carried out on vehicles held in inventory may purchase those repairs exempt of revenue tax (PST) by providing the repair shop with the dealer's vendor registration account number and primary class code. The applicable tax will be collected by the dealer from the purchaser of the vehicle at the time of sale.

Repairs carried out after the vehicle is sold by the dealer to a purchaser, are taxable and the tax must be paid by the purchaser. If the dealer from whom the vehicle was purchased agrees to pay the cost of the repairs, similar to a warranty agreement, then the dealer paying for the repairs is responsible for paying the tax on the GST included cost of the repairs.

Motor vehicle repair shops may provide tax exempt repairs to motor vehicle dealers only in cases where the vehicle being repaired is part of the inventory of the dealer. All other repairs are subject to revenue tax (PST) and the tax must be paid by the person or business paying for such repairs.

### **Further Information**

For copies of the *Revenue Tax Act*, *Revenue Administration Act* and Regulations and any inquiries regarding this Revenue Tax Guide, please contact:

Taxation and Property Records Division  
Department of Provincial Treasury  
P. O. Box 1330  
Charlottetown, PE C1A 7N1  
Telephone: (902) 368-4171  
Fax: (902) 368-6164  
Website: [www.taxandland.pe.ca](http://www.taxandland.pe.ca)

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