



Date: 16/02/2023

To: Chair and Directors, Cariboo Regional District Board

And To: Brian Carruthers, Interim Chief Administrative Officer

From: Gerald Pinchbeck, Manager of Communications

Date of Meeting: Cariboo Regional District Board_Feb24_2023

File: 0390-03-2023

Short Summary:

NCLGA Resolution on PST Levied on Private Used Vehicle Sales

Voting:

Corporate Vote - Unweighted

Memorandum:

At the February 3, 2023, Board of Directors Meeting, the Board adopted resolution 2023-2-13, as follows:

That a resolution for the 2023 North Central Local Government Association's Annual General Meeting and Convention be drafted requesting that ICBC consider a different method for determining the actual value upon which to base the vehicle transfer tax on previously owned vehicles.

Revisions to the method used for determining the taxable value of used vehicles acquired through private sale was implemented via amendments to the *Provincial Sales Tax Act*, s. 10.01, and through changes to the *Provincial Sales Tax Regulation BC Reg. 96/2013*, s. 2.001, which were made effective as of October 1, 2022. The new method for determining the taxable value for used vehicles acquired in a private sale is to use either:

- The greater of the wholesale value, as determined by the Canadian Black Book, or purchase price; or
- If provided at the time of transfer and if less than the wholesale value, the greater of the appraised value, as determined by a person designated by regulation, or the purchase price.

The Province announced these changes through *Budget and Fiscal Plan 2022/23 – 2024/25*. The measure is estimated to produce \$30 Million in provincial sales tax revenue by fiscal year 2024/25.

Staff have prepared the following resolution based on the Board's prior direction:

WHEREAS used vehicle sales are an economical and affordable means of attaining motor vehicle ownership for drivers of all income levels, skills, abilities, and ages, where consideration of the vehicle's actual condition, previous use, and costs of functional repairs can be reflected in a final sales price;

AND WHEREAS the Province has revised how provincial sales tax is calculated on the sale of used vehicles, resulting in a disconnect between the real market value of used vehicles and the estimated values used to determine taxable value, making vehicle ownership increasingly unaffordable for British Columbians while unduly increasing tax revenues for the provincial government;

THEREFORE BE IT RESOLVED that the North Central Local Government Association and the Union of B.C. Municipalities lobby the Provincial Ministry of Finance to discontinue the use of the Canadian Black Book as a means of determining the taxable value for used vehicles sales, and return to using the actual sale price of the used vehicle being sold when determining provincial sales tax payable.

Resolutions to be referred to the NCLGA must be adopted at the current Board meeting, as the resolution submission deadline is March 10, and no Board meeting is scheduled before then.

Attachments:

n/a

Financial Implications:

[Click here to enter text.](#)

Policy Implications:

This item has no impact on the Cariboo Regional District's policies or programs. Staff advise that the subject matter of the resolution is the sole responsibility and jurisdiction of the Province, and does not address matters pertaining to the regional district's jurisdiction or services.

Alignment with Strategic Plan:

- ☐ **Communication:** Facilitate communication strategies throughout the entire Cariboo Regional District that meet the needs of residents, community stakeholders, and other levels of government.
- ☐ **Planning:** Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.
- ☐ **Economic Sustainability:** Foster an environment to ensure the economic sustainability of CRD communities and the region.

- ☒ **Governance:** Ensure that CRD governance policy and practices are intentional, transparent, and respectful.

[Click here to enter text.](#)

CAO Comments:

[Click here to enter text.](#)

Options:

1. Adopt the resolution as presented and refer to NCLGA.
2. Adopt an altered resolution and refer to NCLGA.
3. Receipt.

Recommendation:

That the agenda item summary from Gerald Pinchbeck, Manager of Communications, dated February 16, 2023, regarding a proposed resolution to be referred to the North Central Local Government Association about Provincial Sales Taxes Levied on Private Used Vehicle Sales, be received. *Further action at the discretion of the Board.*