



Service Nova Scotia and
Municipal Relations
Program Management and
Corporate Services
Provincial Tax Commission

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Tax Information

Guide 2007

Guide: 2007

Date: June 24, 2008

Subject: Provincial Tax on Purchase of Boats and Vessels From Persons Other Than GST/HST Registrants - Section 31B of the *Revenue Act*

This guide outlines the application of Nova Scotia Sales Tax (NSST) on the private purchase of boats and vessels. For purposes of this Guide, the term boats and vessels means any type of water craft, including those propelled by oars, paddles, sails, engines or other means, and also those with no means of self-propulsion.

Under the Nova Scotia *Revenue Act*, tax applies to the private purchase of boats and vessels. For the purposes of this tax, a private purchase is where the purchase is **not** a taxable supply made by a GST/HST registrant.

Boats and Vessels brought into Nova Scotia from Within Canada

Every person who brings or receives delivery of a boat or vessel into the Province that has been acquired or purchased from a person who is not a GST/HST registrant must pay NSST on the boat or vessel as would have been payable if the boat or vessel had been purchased in Nova Scotia.

Boats and Vessel brought into Nova Scotia from Outside Canada

Boats or vessels imported into Nova Scotia from outside Canada are not subject to NSST, however, the Canada Revenue Agency and Canada Border Services Agency should be contacted for the payment of any applicable taxes and/or duties which may be due under the authority of the *Excise Tax Act* (Canada).

Exemptions:

1. Boats and vessels purchased by commercial fishers for use in the fishing trade. A commercial fisher means a person who derives at least 51% of gross revenue, or \$10,000.00 dollars in a taxation year from fishing and is recognized by the Department of Fisheries and Oceans Canada as a fisher and includes a person engaged in commercial sea harvesting, aquaculture, as that term is defined in the *Aquaculture Act*, and a person engaged in the wholesaling of live crustaceans in a wholesale facility.
2. Boats and vessels purchased that are more than five (5) hundred tonnes gross.
3. Boats and vessels that do not exceed five (5) hundred tonnes gross and that are operated for commercial purposes. Commercial purposes, as defined in the *Revenue Act Regulations* means, a regularly scheduled ferry service for the general public, tugboat operations, the transportation of goods or passengers for profit, salvage operations, and dredging operations.
4. Boats and vessels purchased by a status Indian or Indian Band provided that the transfer of possession takes place on a reserve.
5. Boats and vessels acquired through an inheritance, regardless of the deceased owner's former place of residence.
6. Boats and vessels purchased by municipal, provincial and federal governments.
7. Gift from a family member (Spouse/common law spouse/same sex partners, mother/father/step-mother/step-father, mother-in-law/father-in-law, son-in-law/daughter-in-law, son/daughter/step-son/step-daughter, brother/sister or grandparent/grandchild).

Trade-Ins on Purchase of Boats and Vessels

Where tangible personal property is accepted by a seller of a boat or vessel at the time of sale and the seller is not an GST/HST registrant, the purchaser must pay NSST to the Province on the difference between the selling price and the amount of credit allowed for the tangible personal property (for example: motor vehicles, planes, boats and trailers) used as a trade-in.

The following conditions must be met for transactions involving a trade-in that is accepted against a future delivery of a boat or vessel resulting from a sale:

1. There must be a firm commitment between the purchaser and seller/broker to purchase a boat or vessel. This commitment must be supported by documentation at the time of the trade. These documents must be in the form of a contract, purchase order or credit note signed and retained by the purchaser and seller.
2. The time lapse between acceptance of the traded unit and delivery of the boat or vessel must be reasonable in the circumstances.
3. The amount of credit allowed for the trade-in unit must be reasonable in the circumstances.

How To Pay the NSST

The purchaser of an boat or vessel on a private sale basis is required to pay the applicable tax directly to the Department of Service Nova Scotia and Municipal Relations with payment made out to the N. S. Minister of Finance. A copy of the Bill of Sale must accompany the payment. For further information in respect to your payment, phone 1-877-292-7444. Payments may be made by mail or in person to:

Service Nova Scotia and Municipal Relations
1505 Barrington Street, Suite 1025, 10th Floor (South)
PO Box 755
Halifax, Nova Scotia
B3J 2V4.

Rebates

GST/HST Registrants

A rebate of the NSST is available to qualified applicants who are GST/HST registrants. A person may apply for a rebate of the NSST if that person is a GST/HST registrant and uses the boat or vessel in the course of the registrant's commercial activity. Rebates will apply in proportion to the use in the registrant's commercial activity. Refund forms can be obtained by calling Service Nova Scotia & Municipal Relations at (902) 424-2850 or on our website (See [Application for Rebate form](#)).

Removal From The Province

Persons may apply for a rebate of 100% of the NSST paid if the boat or vessel is **permanently** removed from Nova Scotia within 30 days from the date of purchase. Refund forms can be obtained by calling Service Nova Scotia & Municipal Relations at (902) 424-2850 or on our website (See [Application for Rebate form](#)).

Should you require further information, please contact:

Service Nova Scotia & Municipal Relations
Program Management and Corporate Services Division
1505 Barrington Street, 8th Floor (South)
PO Box 1003, Halifax, NS, B3J 2X1

Telephone: (902) 424- 6300 (Metro area); or 1-800-565-2336 (toll free in Nova Scotia)

Web site address: <http://www.gov.ns.ca/snsmr/taxcomm/>

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