



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

REVENUE TAX ACT REGULATIONS

PLEASE NOTE

This document, prepared by the *Legislative Counsel Office*, is an office consolidation of this regulation, current to April 1, 2013. It is intended for information and reference purposes only.

This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

If you find any errors or omissions in this consolidation, please contact:

Legislative Counsel Office

Tel: (902) 368-4292

Email: legislation@gov.pe.ca

**REVENUE TAX ACT****Chapter R-14****REGULATIONS**

Made by the Lieutenant Governor in Council under the *Revenue Tax Act* R.S.P.E.I. 1988, Cap. R-14.

1. Definitions

- (1) In the Act or these regulations
- (a) “**Act**” means the *Revenue Tax Act* R.S.P.E.I. 1988, Cap. R-14;
 - (b) “**accommodation charges**” means the entire charge if in excess of twenty dollars made by the owner or operator of an establishment licensed, or required to be licensed, under the provisions of the *Innkeepers Act* R.S.P.E.I. 1988, Cap. I-2, for renting, leasing or letting any living quarters, sleeping or housekeeping accommodations other than such charges for the accommodation of
 - (i) persons who enter into a lease agreement for at least thirty days or have resided continuously at the same establishment for periods of thirty days or more and who continue to reside at that establishment thereafter,
 - (ii) persons who are in full-time attendance at a public school, college, university, or other approved school of instruction situated in the province,
 - (iii) persons attending recreational camps operated by a religious, charitable or benevolent organization,
 - (iv) tents or trailers on spaces supplied by a camp or trailer park;
 - (b.01) “**admission charges**” includes entrance fees, cover charges or other fees charged for admission to a place of entertainment;
 - (b.1) “**aquaculturist**” means
 - (i) an individual who
 - (A) is actively engaged in the cultivation and harvesting of aquatic plants and animals for sale,
 - (B) has the appropriate aquaculture leases, licenses or permits issued by the federal government, and
 - (C) earns
 - (I) at least \$10,000 of the individual’s gross annual income from the sale of aquatic plants and animals, or
 - (II) at least 25 per cent of the individual’s gross annual income from the sale of aquatic plants and animals, if the individual

does not earn at least \$10,000 of the individual's gross annual income from the sale of aquatic plants and animals,

- (ii) a corporation that
 - (A) is registered in this province under the *Companies Act* R.S.P.E.I. 1988, Cap. C-14 or the *Extra-Provincial Corporations Registration Act* R.S.P.E.I. 1988, Cap. E-14,
 - (B) is actively engaged in the cultivation and harvesting of aquatic plants and animals for sale,
 - (C) has the appropriate aquaculture leases, licenses or permits issued by the federal government, and
 - (D) earns
 - (I) at least \$10,000 of the corporation's gross annual income from the sale of aquatic plants and animals, or
 - (II) at least 25 per cent of the corporation's gross annual income from the sale of aquatic plants and animals, if the corporation does not earn at least \$10,000 of the corporation's gross annual income from the sale of aquatic plants and animals, or
- (iii) a partnership that
 - (A) is registered in this province under the *Partnership Act* R.S.P.E.I. 1988, Cap. P-1,
 - (B) is actively engaged in the cultivation and harvesting of aquatic plants and animals for sale,
 - (C) has the appropriate aquaculture leases, licenses or permits issued by the federal government in the name of the partnership, or in the name of at least one partner, and
 - (D) earns
 - (I) at least \$10,000 of the partnership's gross annual income from the sale of aquatic plants and animals, or
 - (II) at least 25 per cent of the partnership's gross annual income from the sale of aquatic plants and animals, if the partnership does not earn at least \$10,000 of the partnership's gross annual income from the sale of aquatic plants and animals;
- (b.2) revoked by EC295/90;
- (c) **"as part of one transaction"** does not include transactions where several articles are purchased from different departments of the same vendor;
- (d) revoked by EC1014/83;
- (e) **"classroom supplies"** means the following goods when sold to students, the parents or tutors of students, or teachers, for use by a student attending an approved educational institution:

clipboards	construction paper
crayons	drawing books
drawing instruments	drawing paper
duotangs	erasers
foolscap	glue sticks



graph paper	highlighters
ink	looseleaf paper
marker pens	music manuscript paper
paste	pencil cases/boxes
pencils	pens
pocket calculators	ring binders
rulers	scissors
scrapbooks	scribblers
sketch books	workbooks

- (f) **“clothing”** means all items designed to be worn on the body but does not include protective items such as latex gloves, helmets, hockey pants, shoulder pads, shin pads, hockey gloves, baseball gloves, golf gloves and other protective items of a similar nature and does not include watches, hair accessories, jewellery, purses, umbrellas, costumes and similar items;
- (g) **“commercial fisherman”** means
- (i) an individual who
 - (A) is actively engaged in the commercial fishery,
 - (B) has the appropriate commercial fishing licenses or permits issued by the federal government, and
 - (C) earns
 - (I) at least \$10,000 of the individual’s gross annual income from fishing, or
 - (II) at least 25 per cent of the individual’s gross annual income from fishing, if the individual does not earn at least \$10,000 of the individual’s gross annual income from fishing,
 - (ii) a corporation that
 - (A) is registered in this province under the *Companies Act* or the *Extra-Provincial Corporations Registration Act*, and
 - (B) is actively engaged in the commercial fishery,
 - (C) has the appropriate commercial fishing licenses or permits issued by the federal government in the name of the corporation or in the name of one of the corporation’s officers in trust for the corporation, and
 - (D) earns
 - (I) at least \$10,000 of the corporation’s gross annual income from fishing, or
 - (II) at least 25 per cent of the corporation’s gross annual income from fishing, if the corporation does not earn at least \$10,000 of the corporation’s gross annual income from fishing, or
 - (iii) a partnership that
 - (A) is registered in this province under the *Partnership Act*,
 - (B) is actively engaged in the commercial fishery,

- (C) has the appropriate commercial fishing licenses or permits issued by the federal government in the name of the partnership or in the name of at least one partner, and
- (D) earns
 - (I) at least \$10,000 of the partnership's gross annual income from fishing, or
 - (II) at least 25 per cent of the partnership's gross annual income from fishing, if the partnership does not earn at least \$10,000 of the partnership's gross annual income from fishing;
- (g.01) **"community pasture organization"** means a non-profit or cooperative organization that is incorporated for the purpose of providing, for a fee, pasture land for the use of livestock owned by farmers;
- (g.1) **"computer software"** means packaged or pre-written computer programs, and includes
 - (i) a plan for the solution of a problem through the use of a computer,
 - (ii) instructions to enable or cause a computer to control or perform a function, or to produce a desired result, either directly or through the working of other equipment,
 - (iii) system programs, application programs and any other computer programs or subdivisions thereof, including assemblers, compilers, routines, generators and utility programs,
 - (iv) the design, development, writing, translation or fabrication of a computer program, whether or not provided on storage media,
 - (v) the right to use those programs, and
 - (vi) modifications to or of those programs,
 but does not include a computer program that is designed and developed solely to meet the specific requirements of the purchaser;
- (h) **"contractor"** means a person who undertakes for others the construction, repair or improvement of real property and includes subcontractors, general contractors and others who install or incorporate goods into real property for a person other than themselves and such goods become a part of or affixed to real property;
- (i) revoked by EC1014/83;
- (i.1) **"extrajurisdictional student"** means a student who
 - (i) is in full-time attendance at an approved educational institution in the province, and
 - (ii) has parents who reside outside of the province;
- (j) **"fabrics and accessories"** means materials, patterns, thread, yarn, zippers and other supplies of similar nature which become part of clothing;
- (k) revoked by EC452/81;
- (l) revoked by EC452/81;
- (m) **"farmer"** means
 - (i) an individual who
 - (A) is actively engaged in farming or custom agricultural contracting, and
 - (B) earns



- (I) at least \$10,000 of the individual's gross annual income from farming and from custom agricultural contracting, or
 - (II) at least 25 per cent of the individual's gross annual income from farming and from custom agricultural contracting, if the individual does not earn at least \$10,000 of the individual's gross annual income from farming and from custom agricultural contracting,
- (ii) a corporation that
 - (A) is registered in this province under the *Companies Act* or the *Extra-Provincial Corporations Registration Act*,
 - (B) is actively engaged in farming or custom agricultural contracting, and
 - (C) earns
 - (I) at least \$10,000 of the corporation's gross annual income from farming and from custom agricultural contracting, or
 - (II) at least 25 per cent of the corporation's gross annual income from farming and from custom agricultural contracting, if the corporation does not earn at least \$10,000 of the corporation's gross annual income from farming and from custom agricultural contracting,
- (iii) a partnership that
 - (A) is registered in this province under the *Partnership Act*,
 - (B) is actively engaged in farming or custom agricultural contracting, and
 - (C) earns
 - (I) at least \$10,000 of the partnership's gross annual income from farming and from custom agricultural contracting, or
 - (II) at least 25 per cent of the partnership's gross annual income from farming and from custom agricultural contracting, if the partnership does not earn at least \$10,000 of the partnership's gross annual income from farming and from custom agricultural contracting,
- (iv) an individual who is registered in the Future Farmer Program as administered by the Department of Agriculture and Forestry,
- (v) a corporation that is registered in this province under the *Companies Act* or the *Extra-Provincial Corporations Registration Act*, and has a shareholder who is registered in the Future Farmer Program as administered by the Department of Agriculture and Forestry, or
- (vi) a partnership that is registered in this province under the *Partnership Act* and has a partner who is registered in the Future Farmer Program as administered by the Department of Agriculture and Forestry;
- (n) revoked by EC295/90;
- (n.1) **“footwear”** does not include cleated sports footwear such as baseball cleats, golf shoes, soccer boots, or bowling shoes, curling boots, ski boots, skates, waders and footwear of a similar nature;
- (n.2) **“golf fees”** includes charges for golf club memberships and green fees;
- (n.3) **“hybrid vehicle”** means a motor vehicle which, at the time it is first sold at retail,

- (i) has its motive power provided
 - (A) by an electric motor and an internal combustion engine, or
 - (B) solely by an electric motor,
- (ii) has regenerative braking designed to recover energy released while the vehicle speed is reducing or the vehicle is stopping, and
- (iii) has an energy storage system such as a battery, ultra capacitor or flywheel;
- (o) revoked by EC242/88;
- (p) **“laundry and dry cleaning service”** means washing, cleaning, pressing, dyeing outside the home, of wearing apparel, bed clothing, table linen, window curtains, drapes, awnings, floor covering, slip covers and other similar goods;
- (p.01) **“member of his family”** in relation to a person means the father, mother, spouse, common-law spouse, grandfather, grandmother, son, daughter, brother, sister, grandson, granddaughter, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, step-father, step-mother, step-son or step-daughter of that person;
- (p.1) **“newspapers”** mean publications that are published daily, weekly, monthly, or bi-monthly in a newspaper format where at least 25 per cent of its content is composed of editorials, news, and articles of local or common interest other than advertising, but does not include flyers, inserts, or other promotional materials sold or given away as part of a newspaper;
- (p.2) **“orthopedic appliances and equipment”** includes footwear when purchased on the prescription of a physician as well as footwear purchased by amputees and polio victims;
- (p.3) **“outbound high volume telephone service”** means long distance telecommunication charges to an individual company in excess of 250,000 minutes per year;
- (q) **“parts”**
 - (i) when used with reference to any article referred to in clauses 12(1)(f) and (f.1) of the Act, means any items purchased for use as a part in the article,
 - (ii) when used with reference to any article other than in (i), means parts designed for exclusive use in the article;
- (q.1) revoked by EC295/90;
- (q.2) **“renewable energy equipment”** means
 - (i) a wind power energy generating system with a name plate rating of 100 kilowatts or less, and includes the goods incorporated into the tower, turbine, turbine blades, transformers, switch gear, capacitors and circuit breakers of such a system, but does not include the electrical cables from the turbine, the distribution cables, any below ground components of the tower or any anchoring system,
 - (ii) a biogas energy generating system with a name plate rating of 100 kilowatts or less, and includes the generator and valves, the fittings and piping that transport the biogas to the generator, the bladder or cover for the digester, the power converter, control system, transformers, switch gear, capacitors and circuit breakers of the system but does not include manure storage systems, digesters or structures that house any component of the biogas energy generating system,
 - (iii) a geothermal heat pump energy generating system with a name plate rating of 100 kilowatts or less, and includes the dump well that receives the outflow water from the system, the piping, refrigerant solutions within the



- closed-loop heat pump system, the heat pump thermostat, and the heat pump (evaporator, compressor, condenser, coils, heat exchanger, valves, fans, blowers) that
- (A) hold a rating of “**Energy Star Qualified**” by Natural Resources Canada or the US Environmental Protection Agency (EPA), and
 - (B) comply with Canadian Standards Association (CSA) C448 Series-02,
- (iv) a solar thermal energy collection system with a name plate rating of 100 kilowatts or less, and includes solar thermal collector panels, pumps, tubing, heat exchanger, duct work, fans, insulated storage tanks and all major components that comply with
- (A) the Canadian Standards Association (CSA) F379.1-88 for solar domestic hot water systems intended for year-round use or (CSA) F379.2-M89 for solar domestic hot water systems intended for seasonal use,
 - (B) Canadian Standards Association (CSA) F383-87, or
 - (C) Canadian Standards Association (CSA) F378-87 (R2004) for solar air heating systems,
- (v) a solar photovoltaic energy collection system with a name plate rating greater than 0.1 kilowatt and equal to or less than 100 kilowatts that
- (A) complies with Canadian Standards Association (CSA) C61215-01, and
 - (B) includes solar photovoltaic collector panels, controllers and devices that convert direct current into alternating current and all major components,
- (vi) a drain water heat recovery energy collection device that
- (A) conforms to American Society for Testing Materials (ASTM) B306 for the drain pipe design,
 - (B) complies with American Society for Testing Materials (ASTM) B88 for the tubing design, and
 - (C) is, in its entirety, approved for use in Canada with potable water consistent with Underwriter’s Laboratories of Canada (ULC) file #MH26850, and
- (vii) an organic combustion system that
- (A) has a name plate rating of 100 kilowatts or less, and
 - (B) complies with Canadian Standards Association (CSA) B415 or holds a US Environmental Protection Agency (EPA) certification,
- and includes the combustion appliance, stoking and fuel delivery system of such appliance and the blowers and fans attached to the appliance, but does not include the breaching, exhaust or chimney structure of the system or any materials or services necessary to house the system;
- (r) “**repair and installation labour**” means the labour expended or used to adjust, apply, clean, install, maintain, remodel, rebuild, repair, recondition and service goods which are taxable under the provisions of the Act, but not including labour expended or used in connection with
- (i) the construction, alteration, repair and installation of real property, or
 - (ii) the repair or reconditioning by vendors of goods for resale by vendors;

- (r.1) “**residential purposes**” means for the purpose of ordinary occupancy, but not for the purpose of construction offices, bunk houses, wash houses, kitchens and dining units, libraries, television-mobile units, industrial units, laboratory units, medical clinics, and structures of similar nature;
- (r.11) “**safety clothing and safety footwear**” means safety boots, hard hats, goggles, face-shields, protective clothing and items of similar nature that are required in the workplace for safety protection, but does not include sportswear items such as skates, helmets, shin pads and shoulder pads;
- (r.2) “**sand**” does not include blasting sand;
- (s) revoked by EC1014/83;
- (t) “**settler**” means an individual who takes up residence in the province immediately after residing outside the province,
 - (i) in the case of an individual who is an extrajurisdictional student, for a period of not less than three consecutive months, or
 - (ii) in the case of an individual other than an extrajurisdictional student, for a period of not less than six consecutive months;
- (t.01) “**settlers’ effects**” means any household goods and equipment, including motor vehicles and boats, that settlers bring into the province on, or within six months of, taking up residence in the province and that
 - (i) are solely for the personal consumption or use of the settlers in the province and not for any commercial purpose, and
 - (ii) were owned, physically possessed and used by the settlers for at least 30 days prior to the settlers’ taking up residence in the province;
- (t.1) revoked by EC295/90;
- (t.2) “**silviculturist**” means
 - (i) an individual who
 - (A) is actively engaged in the cultivation and harvesting of forest trees for sale, and
 - (B) earns
 - (I) at least \$10,000 of the individual’s gross annual income from the sale of forest trees, or
 - (II) at least 25 per cent of the individual’s gross annual income from the sale of forest trees, if the individual does not earn at least \$10,000 of the individual’s gross annual income from the sale of forest trees,
 - (ii) a corporation that
 - (A) is registered in this province under the *Companies Act* or the *Extra-Provincial Corporations Registration Act*,
 - (B) is actively engaged in the cultivation and harvesting of forest trees for sale, and
 - (C) earns
 - (I) at least \$10,000 of the corporation’s gross annual income from the sale of forest trees, or
 - (II) at least 25 per cent of the corporation’s gross annual income from the sale of forest trees, if the corporation does not earn at least \$10,000 of the corporation’s gross annual income from the sale of forest trees, or



- (iii) a partnership that
 - (A) is registered in this province under the *Partnership Act*,
 - (B) is actively engaged in the cultivation and harvesting of forest trees for sale, and
 - (C) earns
 - (I) at least \$10,000 of the partnership's gross annual income from the sale of forest trees, or
 - (II) at least 25 per cent of the partnership's gross annual income from the sale of forest trees, if the partnership does not earn at least \$10,000 of the partnership's gross annual income from the sale of forest trees;
- (u) revoked by EC242/88;
- (v) revoked by EC242/88;
- (w) revoked by EC242/88;
- (x) **"telecommunication services"** means the charge billed to subscribers for any transmission, emission or reception of signs, signals, writing, images, sound or intelligence of any nature by wire, fibre optic cable, radio, satellite or other electromagnetic or laser based system and includes such services as telephone, cable television, telex and telegraph.;
- (y) **"800 telephone service"** means long distance telephone communication terminating in the province the charges for which are billed to subscribers in the province;
- (z) **"water and energy conservation devices"** means
 - (i) low flush toilets rated for 6 litres per flush or less,
 - (ii) no flow urinals, and
 - (iii) low flow showerheads and aerators rated for 10 litres per minute or less.

Valuation of motor vehicles

- (2) For the purpose of clause 1(d)(iii) of the Act
 - (a) the following trade valuation books are prescribed:
 - (i) Canadian Red Book (average wholesale value), and
 - (ii) Canadian Sport Vehicle Blue Book (average resale value);
 - (b) the following persons are authorized to make a written appraisal of the value of a motor vehicle:
 - (i) a motor vehicle dealer who has a Class A license under the Dealer's Trade License Regulations (*EC317/92*), and
 - (ii) an appraiser licensed under the *Insurance Act* R.S.P.E.I. 1988, Cap. I-4;
 - (c) the following persons are authorized to make a written appraisal of the value of an all terrain vehicle, snowmobile or watercraft:
 - (i) a sport vehicle dealer who is registered in the province to sell new sport vehicles at retail, and
 - (ii) an appraiser licensed under the *Insurance Act* R.S.P.E.I. 1988, Cap. I-4.

Transfers of motor vehicles, all terrain vehicles, snowmobiles or watercraft between family members

- (2.1) A transfer of a motor vehicle, all terrain vehicle, snowmobile or watercraft is, for the purpose of subclause 1(d)(iv) of the Act, a certain private transfer of a motor vehicle, all terrain vehicle, snowmobile or watercraft between a person and members of his family if
- (a) the person who is the transferor
 - (i) has owned the motor vehicle, all terrain vehicle, snowmobile or watercraft for a minimum of twelve months prior to the date of the transfer, or
 - (ii) has
 - (A) owned the motor vehicle, all terrain vehicle, snowmobile or watercraft for less than twelve months prior to the date of the transfer, and
 - (B) paid the tax on the purchase price or, if acquired in a private transfer, paid the tax on the greater of the purchase price and the value that was set out in the Canadian Red Book or Canadian Sport Vehicle Blue Book, when he or she acquired the motor vehicle, all terrain vehicle, snowmobile or watercraft;
 - (b) the transferor has made the transfer to a member of his or her family; and
 - (c) the purchase price paid by the transferee is less than the value that is set out in the Canadian Red Book or the Canadian Sport Vehicle Blue Book for the motor vehicle, all terrain vehicle, snowmobile or watercraft.

Taxable services

- (3) For the purpose of subclause 1(e)(iv) of the Act, the following expressions are defined:
- (a) **“accounting services”** means those services that are in the nature of the investigation or audit of accounting records, or the preparation of or reporting on balance sheets, profit and loss amounts, and other similar services including bookkeeping, (including payroll preparation and billing) cost accounting, and tax return preparation, but does not include services provided by a person to that person’s employer in the course of employment;
 - (b) **“architectural services”** means those services provided by a person conducting the **“practice of architecture”**, as defined in clause 1(p) of the *Architects Act* R.S.P.E.I. 1988, Cap. A-18.1, but does not include services provided by a person to that person’s employer in the course of employment;
 - (c) **“consulting services”** means those services that are in the nature of advice or opinions provided for fee, gain or reward, other than in the areas of
 - (i) agriculture,
 - (ii) day care,
 - (iii) education,
 - (iv) financial services (other than accounting services),
 - (v) fisheries,
 - (vi) health care,
 - (vii) human and veterinary medicine,
 - (viii) insurance,
 - (ix) pharmaceutical dispensing,
 - (x) real estate,
 - (xi) tourism,



but does not include services incidental to the conduct of a trade designated under the *Apprenticeship and Trades Qualification Act* R.S.P.E.I. 1988, Cap. A-15;

- (d) **“engineering services”** means those services provided by a person conducting **“professional engineering”**, or the **“practice of engineering”**, as defined in clause 1(s) of the *Engineering Profession Act* R.S.P.E.I. 1988, Cap. E-8.1, but does not include services provided by a person to that person’s employer in the course of employment;
- (e) **“legal services”** means those services provided by a person conducting the **“practice of law”**, as defined in clause 1(j) of the *Legal Profession Act* R.S.P.E.I. 1988, Cap. L-6.1, but does not include
 - (i) services provided by a person to that person’s employer in the course of employment,
 - (ii) services provided by or through the Legal Aid program administered by the Government of Prince Edward Island.

Crown in right of the province

- (3.1) For the purposes of section 2 of the Act, “Crown in right of the province” means
 - (a) any department or division of the public service set out in Schedule A of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9;
 - (b) Tourism PEI, other than Golf Links Prince Edward Island Inc;
 - (c) Health PEI.

consumed in the province

- (4) For the purpose of section 4 of the Act the expression “consumed in the province” means
 - (a) in the case of legal services provided in the province,
 - (i) consumed by a person who resides, ordinarily resides, or carries on business in the province,
 - (ii) consumed by a person who does not reside, ordinarily reside, or carry on business in the province, if those legal services relate to any of the following:
 - (A) real property situated in the province,
 - (B) goods as defined in the Act with the exception of those things described in subclause 1(e)(ii) of the Act,
 - (C) the ownership, possession or use in the province of property other than that referred to in paragraphs (A) and (B), or the right to use such property in the province,
 - (D) a court or administrative proceeding in the province or a possible such proceeding,
 - (E) the incorporation or contemplated incorporation of a company under the *Companies Act* R.S.P.E.I. 1988, Cap. C-14, the registration or contemplated registration of a partnership under the *Partnership Act* R.S.P.E.I. 1988, Cap. P-1, or the licensing of a corporation or person under the *Licensing Act* R.S.P.E.I. 1988, Cap. L-11 or the renewal thereof;
 - (b) in the case of legal services provided outside the province, consumed by a person who resides, ordinarily resides or carries on business in the province, if those services relate to any of the following:
 - (i) a matter referred to in paragraphs (a)(ii)(A) to (E),

- (ii) a matter that involves the interpretation or application of an enactment as defined in the *Interpretation Act* R.S.P.E.I. 1988, Cap. I-8 or a former or proposed enactment,
- (iii) a matter that involves the interpretation or application of an enactment, or a former or proposed enactment, of a jurisdiction other than the province, if the matter is in relation to
 - (A) a physical or legal presence in the province or a contemplated such presence,
 - (B) an activity in the province or a contemplated such activity,
 - (C) a transaction in the province or a contemplated such transaction,
 - (D) a matter that involves the analysis or application of any law other than that referred to in subclauses (ii) and (iii), if the matter is in relation to
 - (i) a physical or legal presence in the province or a contemplated such presence,
 - (ii) an activity in the province or a contemplated such activity, or
 - (iii) a transaction in the province or a contemplated such transaction, or
 - (E) a contract or covenant, or a contemplated contract or covenant, that is in relation to
 - (i) a physical or legal presence in the province or a contemplated such presence,
 - (ii) an activity in the province or a contemplated such activity, or
 - (iii) a transaction in the province or a contemplated such transaction.

(EC262/60; 523/65; 362/68; 370/70; 435/71; 966/74; 560/75; 361/76; 406/76; 136/77; 845/77; 306/80; 390/80; 297/81; 452/81; 1014/83; 121/84; 637/85; 258/87; 369/87; 242/88; 709/88; 232/89; 295/90; 120/92; 162/92; 463/92; 283/93; 408/93; 413/94; 492/94; 334/95; 507/95; 9/96 576/97; 751/97; 545/98; 208/99; 496/01; 554/02; 394/03; 308/04; 548/04; 336/05; 163/06; 601/06; 210/07; 186/08; 319/08; 126/10; 365/10; 305/12)

2. Purchase for resale by licensed vendor

When a licensed vendor purchases goods of a class which he resells in the ordinary course of his business and which he alleges are for the purposes of resale, he shall not be required to make a deposit with the seller if he furnishes to the seller the number of his registration certificate, and the seller shall be relieved from receiving the deposit if he notes such number on the invoice and in all other records in connection with the sale. (EC262/60)

3. Change of address

- (1) Where a vendor changes his address or the name or nature of his business he shall forthwith return his registration certificate to the Commissioner for amendment.

Cessation of business

- (2) Where a vendor ceases to carry on a business in respect of which a registration certificate has been issued the certificate shall thereupon be void and he shall return the same to the Commissioner within fifteen days of the day of discontinuance.



Lost certificate

- (3) When the registration certificate of a vendor is lost or destroyed he shall immediately apply to the Commissioner for a copy of the original. (EC262/60)

Sections 4 to 9 revoked by EC390/91.

10. Deposit of bond

- (1) The Minister may require any vendor to deposit a bond by way of cash or other security satisfactory to the Minister in an amount to be determined by the Minister but not greater than an amount equal to six times the amount of the estimated tax that would normally be collected by the vendor each month under this Act, but in no case shall the deposit be less than one hundred dollars.

Application of bond where tax unpaid

- (2) Where a vendor who has deposited a bond with the Minister under subsection (1) has failed to collect or remit tax in accordance with this Act, the Minister may, by giving written notice to the vendor by registered mail or personal service, apply the bond in whole or in part to the amount that should have been collected, remitted or paid by the vendor as the amount due to Her Majesty in right of Prince Edward Island as of the date of notice.

Deposit or bond by non-resident contractor

- (3) Where a non-resident contractor enters into a contract with a person, pursuant to which or in the carrying out of which goods will be consumed or used in Prince Edward Island, the non-resident contractor on demand shall deposit with the Minister a sum equivalent to five per cent of the total amount to be paid under the contract, or shall furnish the Minister with a guarantee bond satisfactory to the Minister in a sum equivalent to five per cent of such total amount, to secure payment of the tax payable in respect of goods consumed or used pursuant to or in the carrying out of the contract and shall obtain a certificate in duplicate from the Minister that the requirements of this subsection have been met or waived, as the case may be.

Application

- (3.1) Subsection (3) does not apply to a non-resident contractor entering into a contract after March 31, 2013.

Deduction from payments due non-resident contractor

- (4) Any person dealing with a non-resident contractor without first obtaining the duplicate copy of the certificate or waiver from the Minister as required in subsection (3) shall deduct five per cent of all amounts payable to the non-resident contractor and pay it over to the Minister on behalf of or as agent for the non-resident contractor, or shall furnish the Minister with a guarantee bond satisfactory to the Minister in a sum equivalent to five per cent of such total amount, to secure payment of the tax payable in respect of goods consumed or used pursuant to or in the carrying out of the contract.

Application

- (4.1) Subsection (4) does not apply to a person entering into a contract with a non-resident contractor after March 31, 2013.

Personal liability

- (5) Where a person dealing with a non-resident contractor fails to comply with subsection (4), he is personally liable for payment of the tax imposed by this Act in respect of goods consumed

or used pursuant to or in the carrying out of the contract. (*EC435/71; 980/81; 121/84; 484/86; 639/93; 169/13*)

10.1 Application

- (1) This section applies in the circumstances described in sections 59 to 63 of the Act with respect to the goods and services referred to in those sections.

Goods delivered before April 1, 2013

- (2) If the goods are delivered to the person who makes progress payments under the contract and is acquired by that person as purchaser, the following rules govern the manner in which tax imposed under subsection 4(1) of the Act applies with respect to the goods:
- (a) if the goods are delivered to the purchaser before April 1, 2013, under the contract, tax is payable by the purchaser under subsection 4(1) of the Act for those goods;
 - (b) if ownership of the goods is transferred to the purchaser before April 1, 2013, under the contract, tax is payable by the purchaser under subsection 4(1) of the Act for those goods;
 - (c) no tax is payable by the purchaser under subsection 4(1) of the Act for any other goods delivered or transferred to the purchaser under the contract.

Service provided before April 1, 2013

- (3) If the service is provided to the person who makes progress payments under the contract and is acquired by that person as purchaser, the following rules govern the manner in which tax imposed under subsection 4(1) of the Act applies with respect to the service:
- (a) if any part of a taxable service is provided to the purchaser before April 1, 2013, under the contract, tax is payable by the purchaser under subsection 4(1) of the Act for that part of the service;
 - (b) no tax is payable by the purchaser under subsection 4(1) of the Act for any other part of the service provided to the purchaser under the contract.

Application of Act

- (4) In any other circumstance, the tax imposed under subsection 4(1) of the Act applies as provided under sections 59 to 63 of the Act. (*EC169/13*)

11. Cancellation of vendor's certificate

Revoked by EC390/91.

12. Rebate for charitable organizations

- (1) The Minister may authorize a rebate of the tax to a purchaser where that person purchases goods which enter into capital investment by religious, charitable or benevolent organizations subject to the following limitations:
- (a) organizations must be registered under the *Income Tax Act* (Canada) and hold a registration number issued by the Department of National Revenue;
 - (b) for the purpose of clause (a), rebates will be authorized on
 - (i) purchases by a religious organization, welfare services bureau, Canadian Red Cross Society, and organizations created for the improvement of public health which provide free preventive health services, funds for research or benevolent services to the chronically ill,



- (ii) the purchase of equipment by a hospital,
- (iii) the purchase of equipment by a person for donation to a hospital,
- (iv) the purchase of goods of a major type such as furniture, cars and goods of similar nature purchased by a person for donation to and sole use of a religious organization;
- (c) except for goods outlined in subclauses (b)(iii) and (iv), rebates will not be authorized to service clubs, recreational associations, non-profit community groups, associations, and organizations of similar nature, even though they meet the requirements outlined in clause (a);
- (d) real property contracts where tax has been paid by the contractor will be rebated to organizations outlined in subclause (b)(i) based on four per cent of the total contract price.

Total contract price

- (1.1) For the purposes of calculating the amount of the rebate under clause (1)(d), the total contract price referred to in that clause is the amount of the total contract price, as otherwise determined for the purposes of that clause, that is attributable to work performed under the contract before April 1, 2013.

Application

- (2) An application for rebate shall be made in writing, setting forth such information as the Minister may deem necessary.

Minister's discretion

- (3) The Minister may, when in his opinion great inconvenience or hardship may result, relax the strictness of this Act relative to the incidence or collection of the tax thereunder.

Furniture for senior citizens' club

- (4) The Minister may authorize a refund of the tax paid by a senior citizen's club on certain furniture and fixtures along with goods which enter directly into or become part of real property subject to the senior citizen's club being registered with the Prince Edward Island Senior Citizens' Federation.

Materials for energy saving systems

- (5) Revoked by EC242/88.

Silviculture supplies

- (6) Revoked by EC126/10.

Aquaculture supplies

- (7) Revoked by EC751/97.

Refund; part-time farmer, commercial fisherman, aqua- culturist

- (8) The Minister may refund the tax paid on the purchase of goods by a farmer while a part-time farmer, a commercial fisherman, or an aquaculturist where
 - (a) application in writing is made by the person seeking the refund;
 - (b) receipts or other documentation verifying purchases by the person are presented;
 - (c) the goods were exempt to a farmer, commercial fisherman, or aquaculturist at the time of purchase;
 - (d) the goods were

- (i) purchased within seven years of the date of the application, if the applicant is a part-time farmer who grows blueberries,
 - (ii) purchased within 10 years of the date of the application, if the applicant is a part-time farmer who grows cranberries or apples, or
 - (iii) purchased within five years of the date of the application, if the applicant is a part-time farmer, other than one referred to in subclause (i) or (ii), a commercial fisherman, or an aquaculturist;
- (e) evidence is submitted that would support the person being considered a part-time farmer, a commercial fisherman, or an aquaculturist during the period covered by the application.

“part-time farmer” defined

- (9) In this section, “part-time farmer” means an individual, or a partnership or corporation registered in the province, that is
- (a) actively engaged in a farming operation, or a custom agricultural contracting operation; and
 - (b) reporting income from
 - (i) the sale of products from the farming operation, or
 - (ii) the custom agricultural contracting operation.

Aquaculture equipment, refund

- (9.1) The Minister may refund the tax paid by an aquaculturist in possession of a valid Revenue Tax Exemption Permit on the purchase of goods where
- (a) the goods purchased are of the following types:
 - (i) an all-terrain vehicle (4x4 with a minimum 400cc engine displacement),
 - (ii) a fork lift,
 - (iii) a front end loader,
 - (iv) a snowblower or snowplow for attachment to exempt equipment,
 - (v) a tractor (compact utility class or higher);
 - (b) application is made in writing by the aquaculturist seeking the refund;
 - (c) original invoices, receipts and other documentation verifying purchases by the aquaculturist are presented;
 - (d) the goods were purchased within four years of the date of application; and
 - (e) evidence is submitted, satisfactory to the Minister, that the goods purchased have been used exclusively in the practice of aquaculture and not in any other commercial operation.

Farm equipment refund

- (9.01) The Minister may refund the tax paid by a farmer in possession of a valid Revenue Tax Exemption Permit on the purchase of goods where
- (a) the goods purchased are of the following types:
 - (i) an all-terrain vehicle (4x4 with a minimum 400cc engine displacement),
 - (ii) a snowblower or snowplow for attachment to tax exempt equipment,
 - (iii) stream crossing building material;
 - (b) application is made in writing by the farmer seeking the refund;



- (c) original invoices, receipts and other documentation verifying purchases by the farmer are presented;
- (d) the goods were purchased within four years of the date of application; and
- (e) evidence is submitted, satisfactory to the Minister, that the goods purchased have been used exclusively in a farming operation and not in any other commercial operation.

Wood-chip system

- (10) The Minister may refund the tax paid on goods incorporated into a commercial wood-chip combustion system.

Refund

- (11) Where the tax has been paid by a contractor on goods incorporated into a commercial wood-chip combustion system, the Minister shall refund to the purchaser 4 per cent of the contract price in respect of the work performed.

Contract price

- (11.1) For the purposes of calculating the amount of the rebate under subsection (11), the contract price referred to in that subsection is the amount of the contract price, as otherwise determined for the purposes of that subsection, that is attributable to work performed under the contract before April 1, 2013.

Community pasture organization, refund

- (12) The Minister may refund the tax paid on goods purchased by a community pasture organization for its own use if the goods would be exempt, or if the tax paid on them would be refundable, under these regulations if purchased or paid by a farmer.

Liquid asphalt rebate

- (13) The Minister may authorize a rebate to the Crown of the tax paid on liquid asphalt by asphalt contractors and included in the contract price billed to the Crown for the supply and installation of asphaltic concrete.

AVC Inc. refund

- (14) The Minister may refund the tax paid on goods purchased by AVC Inc. for its own use if the goods would be exempt, or if the tax paid on them would be refundable, under these regulations if purchased or paid by a farmer or aquaculturist.

Elite Seed Farm refund

- (15) The Minister may refund the tax paid on goods purchased by the Elite Seed Farm for its own use if the goods would be exempt, or if the tax paid on the goods would be refundable, under these regulations if purchased or paid by a farmer.

Refund

- (16) The Minister may refund the tax paid, to a maximum of \$3,000, on the purchase or lease for a minimum of 12 months of a hybrid vehicle by a consumer where
- (a) an application is made in writing by the person seeking the refund;
 - (b) receipts or other documentation verifying payment of the tax by the person are presented; and
 - (c) the hybrid vehicle was purchased after March 30, 2004 and within four years of the date of application. (EC262/60; 747/71; 966/74; 361/76; 258/87; 693/87; 242/88; 131/89; 120/92; 751/97; 208/99; 394/03; 432/03; 530/03; 721/03; 308/04; 319/08; 126/10; 169/13)

12.1 Application

- (1) This section applies if a person described in subclause 1(g)(ii) of the definition of “specified purchaser” in the Act,
- (a) pays tax under subsection 4(1) of the Act in respect of tangible personal property, a taxable service or an admission; and
 - (b) is also liable for tax under subsection 165(2) of the *Excise Tax Act* (Canada) in respect of the tangible personal property, taxable service or admission.

Rebate

- (2) The Minister may provide a rebate to the person referred to in subsection (1) equal to the tax paid under subsection 4(1) of the Act for the tangible personal property or any part of the taxable service or admission, to the extent that the person is also liable for tax under subsection 165(2) of the *Excise Tax Act* (Canada) in respect of the tangible personal property or that part of the taxable service or admission.

Application for rebate

- (3) An application for a rebate under subsection (2) must be made in writing to the Minister and must be accompanied by proof satisfactory to the Minister that the person has paid the tax under subsection 4(1) of the Act and under subsection 165(2) of the *Excise Tax Act* (Canada).

Rebate prohibited

- (4) No rebate may be provided under subsection (2) to a person to the extent that the person or another person otherwise receives or is eligible to receive, directly or indirectly, a payment, credit, refund, rebate, adjustment or other relief in respect of the tax to which the rebate under subsection (2) would relate. (EC169/13)

13. Refund to newly married couple

Revoked by EC302/93.

13.1 Revenue Tax Exemption Permit

- (1) The Minister may issue a Revenue Tax Exemption Permit to a farmer, silviculturist, commercial fisherman or aquaculturist who makes application in a form approved by the Minister.

Form

- (2) A Revenue Tax Exemption Permit shall be in a form approved by the Minister.

Term of permit

- (3) The term of a permit issued under subsection (1) shall be specified on the permit.

Not transferable

- (4) A Revenue Tax Exemption Permit is not transferable. (EC394/03; 126/10)

14. Present permit

- (1) Where a farmer, silviculturist, commercial fisherman or aquaculturist purchases goods that are exempt from tax when purchased for use in their respective industries, the farmer, silviculturist, commercial fisherman or aquaculturist shall not be required to pay the tax otherwise levied under the Act if the farmer, silviculturist, commercial fisherman or



aquaculturist presents to the vendor a valid Revenue Tax Exemption Permit issued under section 13.1 in the name of the farmer, silviculturist, commercial fisherman or aquaculturist.

Recording permit number

- (2) The vendor shall be relieved from collecting the tax if he records such permit number and the purchaser's name on the invoice or bill of sale. (EC966/74; 507/95; 329/99; 394/03; 126/10)

14.1 Rebate – taxes deemed to have been paid

- (1) Where a consumer
- (a) applies, in accordance with section 261.4 of the *Excise Tax Act*, for a rebate pursuant to section 261.1 of that Act of the provincial component of the harmonized sales tax paid on a purchase of goods in another province for consumption in this province; and
 - (b) executes and provides the Minister with a power of attorney, in a form satisfactory to the Minister, authorizing the Minister to act as the consumer's representative for purposes of the application for the rebate,

then, for the purpose of that application only, any tax payable under this Act by the consumer, equal to the amount of the rebate, is deemed to have been paid.

Liability to pay tax

- (2) Nothing in subsection (1) shall be interpreted to affect or limit in any way a consumer's liability to pay all or part of any tax payable under the Act by the consumer in the event that the application made by the Minister on behalf of the consumer for a rebate is rejected in part or in full by the Canada Revenue Agency. (EC394/03; 595/07)

15. Exemption, cigarettes, etc.

Revoked by EC390/80.

16. Exemption for certain goods used by municipality

- (1) The following goods shall be exempt from tax when purchased by a municipality for own use and not for resale:
- (a) culverts;
 - (b) equipment designed for use exclusively for street or road making, maintenance and cleaning, and parts thereof, but not including automobiles, police patrol wagons, motorcycles or ordinary trucks;
 - (c) equipment used exclusively for fire fighting and rescue including fire and rescue trucks and parts thereof;
 - (d) goods, other than engineering services, for use as part of a sewerage, drainage or water system, and for the purpose of this exemption, any agency operating a sewerage, drainage or water system for or on behalf of a municipality, may be declared exempt by the Minister from the payment of the tax;
 - (e) structural steel, timber and aluminium for bridges;
 - (f) liquid asphalt and asphaltic and ready-mix concrete.

Exemption

- (2) The exemption set out in clause (1)(c) also applies to an Airport Authority, a Port and Harbour Authority recognized by the Minister, and a fire company incorporated under the *Rural Community Fire Companies Act* R.S.P.E.I. 1988, Cap R-16.

Rebate on tax paid by contractor

- (3) Where the tax has been paid by a contractor on goods incorporated into a sewerage, drainage or water system operated by a municipality or municipal agency, the Minister shall refund to the municipality or agency 4% of the contract price in respect of the work performed.

Contract price

- (3.1) For the purposes of calculating the amount of the rebate under subsection (3), the contract price referred to in that subsection is the amount of the contract price, as otherwise determined for the purposes of that subsection, that is attributable to work performed under the contract before April 1, 2013.

Liquid asphalt rebate

- (4) The Minister may authorize a rebate to a municipality of the tax paid on liquid asphalt by asphalt contractors and included in the contract price billed to the municipality for the supply and installation of asphaltic concrete. (EC28/84; 303/86; 693/87; 413/88; 507/95; 71/00; 425/03; 169/13)

17. Refund of tax on vehicle taken out of province

Where a vehicle registered or required to be registered under the *Highway Traffic Act* R.S.P.E.I. 1988, Cap. H-5 is sold within the province and the vehicle is subsequently taken out of the province within thirty days of the date of such sale, and is to be used solely outside the province, then the tax collected at the time of sale may be refunded by the Minister on receipt of evidence that the tax has been paid in another jurisdiction. (EC427/74; 1014/83)

18.

Revoked by EC258/87.

19. Secrecy

Revoked by EC390/91.

20. Wholly owns

- (1) In this section “**wholly owns**” in relation to a corporation, means having the beneficial ownership of not less than 95 per cent of the total issued and outstanding share capital of the corporation, exclusive of directors’ qualifying shares in the hands of a person or of a person and members of his family.

Application of section

- (2) This section does not apply to a transfer of goods if any tax imposed by the Act on any purchaser who acquired the goods in any prior transfer or purchase has not been paid.

Purchase by corporation from owner of corporation

- (3) No tax is payable by a corporation on its purchase of goods from a person who wholly owns, either directly or through another wholly-owned corporation, the purchasing corporation.



Purchase by person from corporation he owns

- (4) No tax is payable by a person on the purchase of goods from a corporation that he wholly owns, either directly or through another wholly-owned corporation.

Purchase by corporation from affiliate

- (5) No tax is payable by a corporation on its purchase of goods from another corporation if both the selling and purchasing corporations are wholly owned by the same person, either directly or through another wholly-owned corporation.

Part ownership of corporation

- (6) No tax is payable by a person who purchases goods from a corporation he does not wholly own on that proportion of the actual value of the goods equal to the proportion of the shares owned by the purchaser of the total issued and outstanding share capital of the corporation.

Receipt of shares as part of consideration for purchase

- (7) Where
- (a) a corporation purchases goods from a person who does not wholly own the corporation; and
 - (b) shares in the purchasing corporation are issued to that person as part of the consideration

no tax is payable on that proportion of the actual value of the goods which is equal to the actual value of the shares issued if the shares are retained by the person for a period of not less than six months after the purchase.

Where shares deemed to be retained

- (8) For the purposes of subsection (7), a person shall be deemed to retain the shares if
- (a) he transfers them for no consideration to a member of his family who retains them until six months after the purchase referred to in subsection (7); or
 - (b) he transfers them to a corporation and receives new shares of that corporation having an actual value at least equal to the value of the transferred shares and retains the new shares until six months after the purchase referred to in subsection (7). (EC709/88)

Rate of interest

Sections 21 to 23 revoked by EC390/91.

24. Agricultural goods

Revoked by EC283/93.

25. Farm machinery and equipment

For the purpose of clause 12(1)(f) of the Act, “machinery and equipment including parts therefor” means the following goods when purchased by a farmer for farm use and not for any other commercial operation:

-A-

alarm systems that monitor temperature and humidity levels, if used to prevent death or damage to livestock or crops
anti-backflow devices

apiary equipment
artificial insemination equipment
auxiliary power generators
axes

-B-

bale elevators and loaders
bale shredders, grapples and spears
barn and stable cleaning equipment
bees
blacksmith tools
buckets and pails
bulk boxes specifically designed to haul farm products, fertilizer or pesticides and attached to farm wagons or trailers not registered for highway use or to a motor vehicle that is registered as a “farm truck” under the Highway Traffic Act Farm Truck Registration Regulations (EC356/74)

-C-

calcium chloride for farm tractor tires
carcass incinerators
chain saws and buck saws
chains for farm tractor tires
chemical application equipment, either self-propelled or for attachment to farm tractors
containers used to process, ship or deliver farm products, but not including containers mounted on trucks or trailers
crop handling equipment
crop harvesting equipment, either self-propelled or for attachment to farm tractors
crop nutrients
crop planting equipment, either self-propelled or for attachment to farm tractors
crop protectants

-D-

dump boxes, attached to farm wagons or trailers not registered for highway use or to a motor vehicle that is registered as a “farm truck” under the *Highway Traffic Act* Farm Truck Registration Regulations

-E-

egg handling and grading equipment
electric motors for use on farm machinery
electronic controls and GPS systems for farm machinery



equipment used to skin, flesh and preserve animal pelts
equipment used to ventilate, dry, humidify, refrigerate or aerate farm products

-F-

farm trailers not required to be registered under the *Highway Traffic Act*
farm wagons not required to be registered under the *Highway Traffic Act*
fencing equipment
fertilizer and lime application equipment, for attachment to farm tractors
flat beds attached to farm wagons or trailers not registered for highway use or to a motor vehicle that is registered as a “farm truck” under the *Highway Traffic Act* Farm Truck Registration Regulations
fork lifts, either self-propelled or for attachment to farm tractors
forks
fox tongs
front end loaders, either self-propelled or for attachment to farm tractors

-G-

gearbox pans
grease
greenhouse glass cleaning equipment
greenhouse material handling equipment
greenhouse thermostats and humidistats
greenhouse watering systems

-H-

hay and forage crop harvesting equipment, either self-propelled or for attachment to farm tractors
heaters (salamanders)
heating systems for incubators or farrowing crates
hoes
horse harness and hardware
horseshoes
hydrometers

-I-

incubation equipment and supplies

-L-

livestock

labels for packaging of farm products for sale
ladders designed for fruit picking
land drainage tile
land irrigation systems
land tillage and cultivating equipment, for attachment to farm tractors
light bulbs
Tough skin bulbs or Teflon coated bulbs
HID Lamps
 HPS or LPS (high or low pressure sodium)
 MH (metal halide or multi vapor)
 MV (mercury vapor)
Infrared heat lamps
Plant grow lamps
lightning rods
livestock
livestock bedding materials
livestock feed and feed additives
livestock feeding equipment, systems and controls
livestock grooming and cleaning equipment
livestock handling equipment
livestock health maintenance and monitoring equipment
livestock identification equipment
livestock protective equipment
livestock watering equipment

-M-

manure handling equipment
manure spreaders
milking and milk storage equipment
mulch

-O-

oil

-P-

packaging material
parts designed for any goods exempted in this section
plants
potting machine
prefabricated or portable storage bins
protective clothing and devices used in the distribution of controlled chemicals
pruning clippers and shears



-R-

rakes
removable pens, crates, stalls and flooring for livestock
repair labour to service any goods referred to in this section
rock pickers
rope

-S-

safety switches
scales and weight tapes
seed treaters
seeds
shovels
silo unloaders
skid steer loaders and fork lifts
soil additives and pasteurizers
sub soilers

-T-

tarpaulins
thermometers
time temperature recorders
tow cables
tractors (compact utility class or greater)
two-way radio equipment for use on farm machinery

-V-

vacuum columns
ventilation equipment for farm buildings
veterinary services and supplies

-W-

weed and stubble burners
welding supplies
wheelbarrows
wool cards (*EC120/92; 483/99; 432/03; 319/08*)

26. Baby goods

For the purpose of clause 12(1)(b.1) of the Act, the following baby goods are exempt from tax:

bibs
blankets
bottles
diapers (nondisposable)
harness
mattresses
mobiles
nipples
oil
pillows
powder
rattles
sheets
soothers
teethers (*EC258/87; 215/91; 120/92*)

27. Heat conservation equipment

Revoked by EC242/88.

28. Commercial fishing and apparatus

For the purpose of clause 12(1)(f.1) of the Act, “boats, fishing nets and other apparatus, including parts therefor” means the following goods when purchased by a fisherman for commercial fishery use and not for any other commercial operation:

-A-

aluminum pen boards and stanchions
anchors, mooring, trap and trawl
anti-fouling compound
aprons

-B-

bait
bait freezers
barometers
batteries for boats
bilge pumps
binnacles
bluestone



boat bailers
boats (fishing), dinghies, dories, skiffs and scows
buoys, floats and markers
burlap net covers

-C-

cables
chafing gear or hides
chains
charts, tide and navigation
chocks
cleaning tools including brushes, mops and brooms
clocks for boats
connectors
counters, tallying
crates, scale baskets and stowage and storage baskets

-D-

depth sounders
dipnets
direction finders
dye (for nets and traps)

-E-

electric light bulbs for use on boats (6, 12 and 32 volts)
electric motors for operating pumps and equipment
engine room telegraph
engines for boats

-F-

fast eye blocks
fenders
fish bugs, hooks, jigs, lines, lures and sinkers
fish storage tanks
fishing nets and netting
floats for nets
fog horns and bells
forks

-G-

gaffs
galley stoves and ranges
galvanized steering blocks
gas tanks for boats
gloves
GPS equipment
grub hoes
gurdies

-H-

hatch covers
hoists on boats
hydraulic pumps, motors, fittings, hoses and valves
hydraulic steerers and auto pilots

-I-

ice-making machines

-K-

knives, splitting, skinning, filleting, gutting and shucking and other such equipment

-L-

lamps for use on boats
lobster measures, plugs and rubber bands
lobster traps
loose hook blocks

-M-

marine paint
marine refrigerators
marine stoves and furnaces
marine toilets and sinks
measuring boards
mending twine for nets
moss rakes
motors, inboard and outboard, for fishing boats



-N-

navigation and port lights
needles for netting
net moorings and winches
nets
netting leads

-O-

oars
otter chains, discs, lifters, rollers and spacers
otter combination rope
otter trawl door and floats
otter trawl leather, nets
oyster harrows, rakes, scoops, scythes, spreaders, threshers and tongs

-P-

pails
parts for any goods in this section
power blocks
preservatives for nets and lines
propellers
pumps for boats

-Q-

quadrants

-R-

radar equipment
radio telephones for fishing boats
refrigeration equipment for fishing boats
repair labour to service any goods referred to in this section
resin and fibreglass matting
rope
row locks
rubber clothing and footwear

-S-

sails for fishing boats



scallop bags and ties
seam paint and filler
shackles
shovels
signal bells
snatch blocks
stays
survival suits

-T-

tarpaulins
tide tables
trap dumpers, haulers and lifters
trolling bells, blocks, springs and swivels
turnbuckles

-V-

ventilators

-W-

wash down pumps for boats
weigh scales
wet suits
winches and pulleys on boats
wire cable (*EC120/92;432/03*)

28.1 Aquaculture supplies

For the purpose of clause 12(1)(f.1) of the Act, the following goods are exempt from tax when purchased by an aquaculturist for use in the practice of aquaculture and not in any other commercial operation:

-A-

aerators
alarms and monitoring equipment
anaesthetics, antibiotics, disinfectants, medicines, pharmaceuticals and vaccines for aquatic species
anchors for mooring of boats, cages and lines
anti-fouling compounds
aprons
augers for harvesting through ice



axes for harvesting through ice

-B-

baler twine (to reinforce mussel socks)
barometers
batteries for boats
bilge pumps
binnacles
boat bailers
boats (fishing), dinghies, dories, skiffs and scows
bungee cord
buoys, floats and markers

-C-

cables
cages and tanks
cement troughs for dipping oyster collectors
chain saws (minimum 70cc with 2 foot bar)
chains
charts, tide and navigation
cleaning tools including brushes, mops and brooms
clocks for boats
collector supports, including stands, flotation devices and long lines
connectors
conveyors
counters, tallying
crates, scale baskets and stowage and storage boxes

-D-

depth sounders
dimmers to control lighting
dipnets
dissolved oxygen metres

-E-

electric light bulbs for use on boats (6, 12 and 32 volts)
electric motors for operating pumps and equipment
engines for boats
escalators

-F-

fan belts designed for machinery and equipment used by aquaculturists
fans for hatchery ventilation
feed storage boxes and bins
feeders
fenders
fish eggs
fish feed
fish feed additives
fish feed mixers and grinders
fish grading equipment
fish tags and tagging devices
fishing nets and netting
floats for nets
fog horns and bells
freezers for quick freezing, except cold storage units

-G-

gaffs
gas tanks for boats
gear boxes for operating pumps and equipment
generators, auxiliary
GPS equipment

-H-

hatch covers
heaters (salamander)
hoists for feed and fish handling
hydraulic pumps, motors, fittings, hoses and valves
hydraulic steerers and auto pilots
hydrometers, PH meters, temperature and salinity meters and thermometers

-I-

ice-making machines
incubators

-K-

knives, splitting, skinning, filleting, gutting and shucking and other such equipment



-L-

lamps for use on boats
lifting devices
lime (bluestone) used to kill starfish
live fish
live spat
loose hook blocks

-M-

marine paint
marine refrigerators
marine stoves and furnaces
marine toilets and sinks
measuring boards
medicine for aquatic species
mending twine for nets
microscopes and laboratory glassware
motors, inboard and outboard, for fishing boats
mussel de-clumping, debasing, washing and grading equipment

-N-

needles for netting
netting for cages and pens

-O-

oars
oxygen generating equipment
oyster harrows, rakes, scoops, scythes, spreaders, threshers and tongs

-P-

pails
parts for any goods referred to in this section
plastic locking zip ties
plastic socks, mesh bags and Japanese lanterns
pre-manufactured fish feeders
pre-manufactured fish tanks having a minimum volume of one cubic metre
preservatives for nets and lines
propellers
pumps for boats

-Q-

quadrants

-R-

radar equipment

radio telephones for fishing boats

refrigeration equipment for the preservation of fish food and fish before delivery to a buyer

repair labour to service any goods referred to in this section

resin and fibreglass matting

rope

row locks

rubber clothing and footwear

-S-

scoops

seam paint and filler

shackles

shot, teleshot, scare cannons for scaring sea ducks

shovels

signal bells

sinkers for mussel socks

sleds used in harvesting aquaculture products

smokers

socking materials

spat collectors and Chinese hats

stainless steel hog rings

starter's pistols for scaring birds

stocking-stuffer tables

survival suits

-T-

tarpaulins

temperature chart recorders

timers to control lighting

towing devices and hitches attached to exempt vehicles

trailers and wagons used to transport aquacultural products or equipment to and from
aquaculture beds or fish farms and not required to be licensed

turnbuckles



-V-

ventilating systems for processing plants and warehouses
vexar material for oyster socking

-W-

wash down pumps for boats
water and soil analyzers
water circulation systems including pumps, pipes, valves, filters and fittings
water heaters
water testing equipment
water treatment chemicals
weigh scales
wet suits
winches and pulleys not attached to vehicles required to be registered under the *Highway Traffic Act*
wire cable (*EC208/99;432/03*)

28.2 Silviculture supplies

For the purpose of clause 12(1)(f.01) of the Act, “machinery and equipment including parts therefor” means the following goods when purchased by a silviculturist for forestry use and not for any other commercial operation:

-A-

Alarm systems that monitor temperature and humidity levels where their use is required to prevent death of or damage to seedlings, plants, trees or shrubs
Altimeters used to measure tree heights
Augers — post hole, tree
Axes

-B-

Baler machines and twine — trees
Batteries specially designed for farm tractors, tree harvesters, skidders and similar wood harvesting equipment
Brush saws
Buckets — rubber, metal and plastic
Buckets, blades and rear blades or front-end loaders designed and marketed specially for use on farm tractors

-C-

Calcium chloride installed in farm tractor tires

Calipers used to measure tree diameters
Cans for maple syrup
Cant hooks
Carriers used within the confines of a greenhouse
Chains — logging and boom
Chains — tire for farm tractors
Chain saws
Climatometers
Containers for use in processing, shipping or delivering maple products, plants, trees, shrubs
Control equipment and distribution pipes for CO₂ fertilizer
Cultivators

-D-

Debarkers
Delimbers
Diameter tape used to measure tree diameters
Disinfectants
Draft horses
Drainage tile for cultivated land drainage
Dusters and sprayers

-E-

Ear protectors — safety
Evaporation pans
Evaporators
Extractors

-F-

Face masks — safety
Fencing tools
Ferrules
Fertilizer applicators and tanks
Files for saw sharpening and related devices
Filters — processing
Fittings for wire rope and cable used in woods operations
Fogging machines
Forklift attachments designed and marketed specially for attachment to farm tractors
Forwarders — wood, tree



-G-

Gardening tools used in the production of crops for *re*-sale
Greenhouse pots and flats
Grooming brushes

-H-

Harness
Harrows and tillers
Harvesters — wood and tree
Heating systems in greenhouses
Hoes
Horseshoes
Humidifiers and dehumidifiers in greenhouses
Humidistats in greenhouses
Hydrometers

-I-

Increment borers used to determine the age of trees
Insecticides and concentrates
Irrigation systems, including power units if they are an integral part of the pumps, tubing, sprinklers and fittings

-L-

Labels for containers used in processing, shipping or delivering products
Land packers
Limbing tools
Lime bulk boxes
Lime spreaders
Line rigging used in woods operations
Liquid fertilizer dilutors, injectors and valves
Logging arches

-M-

Mistblowers
Moisture control equipment
Mowing machines
Mulch — plastic, fabric or organic

-N-

Nozzles — hose

-P-

Pails — metal, plastic or rubber

Pails — sap

Peavies, picaroons, pike hooks and poles

Pesticides

Plant growth regulants

Planting tools and trays

Plastic film with ultra-violet barrier

Plastic netting for baling trees

Plastic tubing used in maple sugar production

Plows, except those designed for bull-dozing or snow removal

Porters — wood and tree

Potting machines

Power tappers

Processors — wood and tree

Protective clothing and devices used in the distribution of control chemicals

Pruning and limbing tools

Pulp hooks

-R-

Rakes

Repair labour (service) to any goods listed in this schedule

Rock pickers

Rotivators

-S-

Saw sharpening devices

Scaling equipment, including sticks, tapes and measuring devices

Scarification and soil equipment for land preparation

Scoots

Scythes and blades for scythes

Seeders and planters

Shears

Shovels

Skidders

Skidder cables and chokers



Skidding cones
Slashers
Sleds and trailers used to move logs from stump to skidway in the woods
Sockets for wire rope and cable used in woods operations
Sod plows
Soil mining machinery used by greenhouse operators
Soil pasteurizers
Spiles
Sprayers and spreaders
Sprinkler systems for greenhouses
Strainers for maple products
Sulkies and other similar wood forwarding equipment

-T-

Taps — sap
Thermostats and temperature control panels for greenhouses
Tillers — garden-type
Tire chains for off-road forestry harvesting equipment
Tractors — wheeled farm-type with at least 25 horsepower
Transplanting machines
Tree farmers
Tree harvesters
Tree harvester and skidder attachment

-V-

Ventilation equipment for greenhouses

-W-

Water heaters — portable immersion
Water warmers
Waterers and automatic shut-offs
Watering equipment for field irrigation
Watering equipment and programmers used in greenhouses
Weed burners
Wheelbarrows
Wheeled hoes
Winching equipment
Wire rope and cable used in woods operations
Wood chippers
Wood drying equipment

Wood splitters
Wrappers for seedlings and maple products

-Y-

Yankie yarders (*EC126/10*)

29. Household supplies

Revoked by EC294/90.

30. First aid supplies

Revoked by EC294/90.

31. Medicaments

Revoked by EC215/91.

32. Parts for stoves, etc.

Revoked by EC242/88.

33. Personal hygiene

Revoked by EC294/90.

34. Paper goods

Revoked by EC294/90.

35. Excise Tax items

For the purpose of clause 12(1)(i) of the Act, machinery, apparatus and parts therefor means those items prescribed as at December 31, 1990, in Part XIII of Schedule III of the *Excise Tax Act* (Canada) R.S.C. 1985, Chap. E-15. (*EC258/87; 307/87; 813/90*)

36. *Idem*

For the purpose of clause 12(1)(j.1) of the Act, consumable means those items which are prescribed as at December 31, 1990, in Part XIII of Schedule III of the *Excise Tax Act*. (*EC258/87; 813/90*)

37. Goods imported for temporary use

- (1) Where a person brings into the province taxable goods, and it is established to the satisfaction of the Commissioner that the goods have been brought into the province for temporary use or consumption only, that person shall pay to the Minister 1/36 of the tax payable in respect of such goods by the twentieth day of the month following the month they are brought into the province and 1/36 of that tax by the twentieth day of each succeeding month, during all or part of which the goods remain in the province, until the whole of the tax has been paid.



Interpretation

- (2) For the purposes of subsection (1), the following rules of interpretation apply:
- (a) three years and under is considered temporary use;
 - (b) equipment is not taxed if it is in the province for less than 12 consecutive days;
 - (c) tax applies on the full rental charge for leased equipment;
 - (d) twelve consecutive days or more are considered to be one month. (EC258/87)

38. Assessments, back taxes

Revoked by EC394/03.

39. Diplomatic and consular exemptions

Where international agreements provide that certain diplomats are not subject to foreign taxes during their service in a foreign country, those persons serving in or employed by a diplomatic or consular mission, high commissioner or trade commission, their spouse and families, as authorized by the Department of External Affairs, Canada, are exempt from tax under this Act with respect to purchases made for their own consumption. (EC258/87)

40. Entertainment device

- (1) In this section “**entertainment device**” means an apparatus, machine, contrivance or other device operated for gain the purpose of which is to provide amusement or recreation for the public and which provides no valuable reward to the player other than the opportunity to replay the device and does not include a video lottery device as defined in the Video Lottery Scheme Regulations made under the *Lotteries Commission Act* R.S.P.E.I. 1988, Cap. L-17.

License

- (2) The owner of an entertainment device shall, before the entertainment device is installed at a location to which the public, or some of them, have access, apply to the Minister for an entertainment device license on a form provided by the Minister.

Fee

- (3) Subject to subsection (3.1), the annual license fee for an entertainment device is \$200 in respect of each device.

Fee, kiddie rides

- (3.1) The annual license fee for each entertainment device that is a coin-operated kiddie ride designed for children eight years of age and under is \$50 in respect of each ride.

Refusal

- (4) The Minister may refuse to issue a license with respect to an entertainment device that the Minister believes, given the characteristics of the amusement device or any other information, is not, or may not be, used only for the purpose of providing amusement or recreation.

Display of license

- (5) The holder of an entertainment device license shall affix that license to the front upper right hand corner of the entertainment device in respect of which the license is issued.

Offence

- (6) Any person who operates an entertainment device for gain without holding a license under this section is guilty of an offence and liable to the penalty set out in section 21 of the *Revenue Administration Act* R.S.P.E.I. 1988, Cap. R-13.2.

Cancellation

- (7) The Minister may cancel a license issued under this section where he has reasonable cause to believe that a license has been improperly issued in respect of any entertainment device.

Seizure

- (8) The Minister or an inspector may, without warrant, seize and detain any entertainment device required to be licensed under this section that is unlicensed or that he has reasonable grounds to believe is being operated for a purpose other than that of providing amusement or recreation.

Disposition

- (9) Any entertainment device seized under subsection (8) shall be disposed of in such manner as the Minister may determine. (EC372/91; 434/91; 209/94; 329/99; 365/07; 467/07)

41. Owner responsibility to remit tax

In relation to places of entertainment, the owner thereof is responsible for the collection of admission charges and the remission to the Minister of the tax imposed thereon. (EC242/88)

42. Reciprocal agreement

For the purpose of clause 4.3(k) of the Act, the International Registration Plan is a prescribed reciprocal agreement. (EC496/01)

43. Payment of prorated tax to vehicle licensing authority

For the purpose of subsection 4.5(2) of the Act, a person who is required to pay the prorated tax shall pay the prorated tax to the vehicle licensing authority in the jurisdiction in which the interjurisdictional vehicle is licensed. (EC496/01)

44. Refund or credit on transfer between interjurisdictional fleets

- (1) The amount of the refund or credit authorized to be provided pursuant to clause 4.8(1)(b) of the Act is the amount determined by the formula

$$PT \times M / Y$$

where

PT is the prorated tax paid for the last vehicle licence period of the interjurisdictional vehicle referred to in subsection 4.8(1) of the Act while it was part of the old fleet (which, for this section, has the same meaning given it for the purpose of section 4.8 of the Act);

M is the number of whole calendar months remaining in that last vehicle licence period on the date of transfer to the different fleet; and

Y is the number of whole or partial calendar months in that last vehicle licence period.



Number of whole or partial calendar months

- (2) For the purpose of subsection (1), the number of whole calendar months remaining, and the number of whole or partial calendar months, in the last vehicle licence period shall be determined as if the interjurisdictional vehicle was not transferred to the different fleet. (EC496/01)

45. Refund or credit on cessation of use for interjurisdictional commercial purpose

- (1) The amount of the refund or credit authorized to be provided pursuant to clause 4.8(2)(b) of the Act is the lesser of
- (a) the tax paid pursuant to clause 4.8(2)(a) and section 4 of the Act in respect of the interjurisdictional vehicle referred to in subsection 4.8(2) of the Act; and
 - (b) the amount determined by the formula

$$PT \times M / Y$$

where

- PT is the prorated tax paid for the last vehicle licence period of the interjurisdictional vehicle before it was licensed for use solely within Prince Edward Island;
- M is the number of whole calendar months remaining in that last vehicle licence period on the date the interjurisdictional vehicle was licensed for use solely within Prince Edward Island; and
- Y is the number of whole or partial calendar months in that last vehicle licence period.

Refund or credit on cessation of registration as part of a fleet

- (2) The amount of the refund or credit authorized to be provided pursuant to subsection 4.8(2.1) of the Act is the amount determined by the formula

$$PT \times M / Y$$

where

- PT is the prorated tax paid for the last vehicle licence period of the interjurisdictional vehicle before it ceases to be registered as part of a fleet;
- M is the number of whole calendar months remaining in that last vehicle licence period on the date the interjurisdictional vehicle ceases to be registered as part of a fleet; and
- Y is the number of whole or partial calendar months in that last vehicle licence period.

Number of whole or partial calendar months

- (3) For the purpose of subsections (1) and (2), the number of whole calendar months remaining, and the number of whole or partial calendar months, in the last vehicle licence period shall be determined as if the interjurisdictional vehicle was not licensed for use solely within Prince Edward Island or ceased to be registered as part of a fleet. (EC496/01; 162/06)

46. Refund or credit on transfer to interjurisdictional fleet

- (1) The amount of the refund or credit authorized to be provided pursuant to subsection 4.8(4) of the Act for each vehicle licence period that begins within five years after the acquisition date of the interjurisdictional vehicle referred to in subsection 4.8(4) of the Act is the amount determined by the formula

$$TV \times CR \times DR \times T$$

where

- TV is the vehicle taxable value of the interjurisdictional vehicle;

- CR is the tax credit rate applicable to the interjurisdictional vehicle pursuant to subsection (2);
- DR is the distance ratio for the interjurisdictional vehicle for the vehicle licence period; and
- T is the number of whole or partial calendar months in the interjurisdictional vehicle's vehicle licence period at the time that the interjurisdictional vehicle is licensed divided by 12.

Tax credit rate

- (2) For the purpose of CR in the formula in subsection (1), the tax credit rate applicable to an interjurisdictional vehicle for a vehicle licence period shall, in each calendar year in which the prorate tax is payable in respect of the vehicle, be the rate shown opposite that calendar year in the column for the applicable type of vehicle in the following table:

Calendar year	Vehicle other than a Bus	Bus
the acquisition year	4.499%	2.813%
the calendar year following the acquisition year	3.510%	2.195%
the second calendar year following the acquisition year	2.793%	1.745%
the third calendar year following the acquisition year	2.274%	1.422%
the fourth calendar year following the acquisition year	1.906%	1.191%
the fifth calendar year following the acquisition year	1.769%	1.106%

(EC496/01)

47. Repair parts

For the purpose of clause 4.9(1)(c) of the Act, “**repair parts**” means

- (a) replacement parts purchased for an interjurisdictional vehicle licensed for an interjurisdictional commercial purpose or for a trailer used for an interjurisdictional commercial purpose with such an interjurisdictional vehicle, if they are designed and manufactured specifically for that type of interjurisdictional vehicle or trailer and are not general purpose repair materials; and
- (b) parts purchased as part of a repair work order for an interjurisdictional vehicle licensed for an interjurisdictional commercial purpose or for a trailer used for an interjurisdictional commercial purpose with such an interjurisdictional vehicle;



but does not include optional accessories that are not included in the purchase price of the interjurisdictional vehicle or trailer. (EC496/01)

48. Limitation on total transitional refunds or credits

The total amount of all of the refunds or credits authorized to be provided pursuant to subsection 4.10(2) of the Act to a person for an interjurisdictional vehicle licensed outside the province for all vehicle licence periods that begin before April 2003 shall not exceed the amount of tax paid by the person pursuant to section 4 of the Act on the last acquisition of the interjurisdictional vehicle before April 2001. (EC496/01)

SCHEDULE

Revoked by EC390/91.