

## **May 14, 2012 - Return to PST progress update**

The return to a PST and GST system in British Columbia is a very complex process and requires careful planning, co-ordination and implementation through its various stages to ensure an orderly transition.

### **PST re-implementation timeline**

The Province's action plan to return to the PST announced Aug. 26, 2011, is on track to return to the PST with all permanent exemptions on April 1, 2013.

### **Provincial Legislation/Regulations**

The Province has introduced legislation to meet its commitment to return to the PST. The legislation has clarified language to reduce ambiguity and bring the old legislation up to date with current practices and technology. A number of the changes reflect recommendations from the Expert Panel on Business Taxation: [http://www.fin.gov.bc.ca/experts\\_panel\\_tax.htm](http://www.fin.gov.bc.ca/experts_panel_tax.htm)

Over the coming months, the Ministry of Finance will work on drafting regulations to support the provisions in the legislation. Additional consequential and transitional amendments will also be made before April 1, 2013. The Province intends to publically release a final proposed version of the legislation as early as this fall to support business outreach and awareness.

### **Provincial Systems Development and Administration**

The Province is finalizing its arrangements with the Canada Revenue Agency on staffing. Progress continues on establishing facilities and upgrading software to allow for enhanced functionality. Updated legislation, new software, e-service, and streamlined administration mean that fewer staff are expected to be required to administer the PST, saving B.C. taxpayers money.

### **Provincial Business Registration and Outreach**

Business outreach seminars, beginning in October, will explain how the PST applies. Registration of approximately 100,000 businesses using a new online system will begin in January 2013. Businesses will benefit from new e-services such as online registration, remittance, and self service options.

### **Business Transition**

As businesses receive information from the Province on the new PST, they will need to adapt their systems. Provincial programs to help business understand their responsibilities in administering the PST are under development.

## Timeline

- Aug. 26, 2011 – Referendum result – Province announces return to PST action plan.
- Sep. 8, 2011 – Q1 report – fiscal plan scenario and impacts announced.
- Nov. 28, 2011 – Q2 report – return to PST progress update.
- Jan. 11, 2012 – Terms agreed for repayment of B.C. HST transition funding.
- Feb. 17, 2012 – New housing transition rules and relief measures announced.
- Feb. 21, 2012 – Budget 2012 – First time new homebuyers’ bonus announced; PST progress update.
- May 14, 2012 – PST legislation introduced.
- Fall. 2012 – Final proposed version of PST legislation with amendments publically released.
- Oct. 2012 – Business outreach seminars begin.
- Jan. 2, 2013 – Businesses can begin PST registration.
- April 1, 2013 – Provincial Sales Tax (PST) in effect.

Media Contact:  
Janet Stewart  
Communications Manager  
Ministry of Finance  
250 356-9872