

## Provincial Vehicle Tax – Setting up Residence Exemption

The purpose of this bulletin is to provide clarification pertaining to the exemption of Provincial Vehicle Tax (PVT) ordinarily imposed under the **Harmonized Sales Tax Act** and the General Regulation, where an individual sets up residence in the Province and brings a vehicle into the Province, acquired by way of private sale, for personal use.

As per section 17 of the *Harmonized Sales Tax Act*:

*“Where an individual sets up residence in the Province and brings a vehicle into the Province for his or her personal use, no tax is payable on the vehicle under section 14, if the individual has resided outside the Province for at least one hundred and eighty-three consecutive days before setting up residence in the Province and the vehicle has been owned by the individual for more than thirty days before the individual sets up residence in the Province.”*

### Setting up Residence means:

- the acceptance of employment of a full time nature within New Brunswick;
- posting to a place within New Brunswick while on duty within the service of Canadian Armed Forces or Royal Canadian Mounted Police;
- the establishment of a primary place of residence within New Brunswick; or
- any combination of the aforementioned events, in which case an individual is deemed to have set up residence at the earliest date upon which any of the events above occur.

**PLEASE NOTE:** A New Brunswick resident who, for work or for pleasure, stays out-of-province for 183 or more consecutive days without formally changing his or her status as a New Brunswick resident cannot be considered to be setting up residence when he or she returns to New Brunswick and ***is not*** entitled to the PVT exemption associated with setting up residence in the Province. For example, individuals who retain their New Brunswick Medicare card and driver's licence, continue to claim a New Brunswick residential tax credit, pay New Brunswick Income Tax and/or are registered to vote in Federal, Provincial, and Municipal elections in New Brunswick are already deemed New Brunswick residents. Additionally, residents who maintained vehicles validly registered in New Brunswick, principal residences and other significant residential ties to the province cannot be considered to be setting up residence upon their return to the province for the purpose of this exemption.

### Documentation Requirements

Vehicle transfers qualifying for the above exemption will be processed exempt of PVT by Service New Brunswick at the time the vehicle is registered. The following documentation is required:

- previous vehicle registration; and
- declaration for Settler's Effects form, available at SNB.

In its continuous efforts to ensure fairness and protect the integrity of the tax system, Finance and Treasury Board routinely conducts comprehensive reviews and audits of vehicle transactions. You may be contacted to verify eligibility for the exemption. If it is determined that the transfer did not qualify for the exemption, an assessment will be issued and may also result in the issuance of fines and / or penalties. Any person who knowingly provides false or misleading information, or who presents fraudulent documentation, commits a serious offence. The department has recently reallocated resources to ensure the detection and subsequent assessment of individuals involved in tax evasion.

For more information, please refer to the [Bulletin PVTB-115](#); Tax Evasion Bulletin.

### **Additional Information**

If this bulletin does not address your particular situation, or if you have further concerns regarding taxes, please refer to the [Act](#) and related regulations, visit our website at: [www.gnb.ca/finance](http://www.gnb.ca/finance) or contact:

Finance and Treasury Board  
Revenue Administration Division  
Marysville Place, P. O. Box 3000  
Fredericton, NB E3B 5G5

Telephone: (800) 669-7070  
E-mail: [wwwfin@gnb.ca](mailto:wwwfin@gnb.ca)