

Provincial Vehicle Tax– High Mileage Refund

The purpose of this bulletin is to provide clarification pertaining to the refund of Provincial Vehicle Tax (PVT) assessed under the *Harmonized Sales Tax Act*, where a vehicle has been purchased with exceptionally high mileage.

The *Harmonized Sales Tax Act* imposes the tax at a rate of 15% on the fair value of a vehicle acquired in any transaction other than a purchase from a business registered to collect the Harmonized Sales Tax, where the fair value is the greatest of:

1. The purchase price detailed on a valid bill of sale;
2. The average wholesale value determined through the use of approved trade publications; and
3. The value established by the Provincial Tax Commissioner.

Note: Minimum fair values for the purpose of taxation are \$1,000 for motor vehicles, \$500 for motorcycles and \$500 for off-road vehicles.

The tax is collected by Service New Brunswick (SNB), on behalf of Finance and Treasury Board, when the vehicle is registered in the purchaser's name. As per subsection 21.1(3) of the General Regulation under the *Harmonized Sales Tax Act*, a purchaser may apply for a refund of a portion of the PVT paid if the tax has been imposed on a value other than the bill of sale, or minimum value, and the purchaser can demonstrate that the fair value should be lower due to the exceptionally high mileage of the vehicle at the time of purchase.

Eligibility

For the purpose of administering the high mileage refund, exceptionally high mileage is defined as mileage in excess of an average of 20,000 kms per model year.

Notwithstanding the above, any vehicle with mileage in excess of 340,000 KMS regardless of model year is eligible for a refund of the tax based solely on the fair value established as the greater of:

- A) The value on the bill of sale; and,
- B) The \$1,000 minimum fair value for taxation purposes.

The refund for high mileage applies to private passenger vehicles, light commercial vehicles and some heavy commercial vehicles.

Application Process

Applications for a refund can be obtained:

- at any SNB service centre;
- online at www.snb.ca (click on "Forms by Department") or www.gnb.ca/finance (click on "Forms");

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- by contacting SNB Teleservices at 1-888-762-8600 (no charge dial); or
- by contacting the Revenue Administration Division, Finance and Treasury Board at 1-800-669-7070 (in this case they are mailed out to customers).

Documentation Requirements

Please ensure that the following documentation is submitted with the appropriate refund application:

- copy of the bill of sale;
- copy of the SNB receipt showing payment of the PVT;
- documentation supporting the actual mileage of the vehicle which includes:
 - a copy of the latest Motor Vehicle Inspection; or
 - a copy of a recent repair/service invoice, or similar documentation, for work performed by a licensed car dealer or licensed repair facility which shows the Vehicle Identification Number and mileage of the vehicle.

Once the application has been received, the total processing time is between 2 to 4 weeks provided all required documentation is included with the application.

Please note:

Under no circumstances will a refund be issued for a value below the purchase price indicated on the bill of sale or the minimum value imposed on the vehicle.

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 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