

Provincial Sales Tax

Provincial Sales Tax impact on used vehicles

If you're buying a used vehicle, PST is applicable effective April 11, 2018. All transactions completed on or after April 11, 2018 will have PST applied, regardless of the date on the bill of sale.

Used vehicles purchased privately for personal or farm use with a purchase price of \$5,000 or less will be exempt from PST. For vehicles with a purchase price greater than \$5,000, the PST applies on the full purchase price.

(Note: This is a change from the previous state, where a PST deduction applied across-the-board for all used vehicles on the first \$3,000, regardless of the total price).

Details of the April 11, 2018 changes:

- The \$5,000 exemption applies to private sales of all non-commercial used vehicles registered for personal or farm use, including:
 - cars
 - sport utility vehicles (SUVs)
 - light vans (minivans, passenger vans and cargo vans rated 1 ton and less)
 - light trucks (1/4-ton, 1/2-ton, 3/4-ton and 1-ton units)
 - motorhomes and buses
 - heavy vehicles
 - campers
 - leisure vehicles such as ATVs, boats and personal watercraft
 - motorcycles and mopeds
 - snowmobiles
 - Class T and Class F registered trailers
- The \$5,000 exemption is based on the purchase price or the Red Book value, whichever is the greatest (**Note:** Red Book value is an industry valuation of vehicles newer than 10 years; it is used to determine the wholesale value of vehicles.).
- If there is no Red Book value, then determination of tax will be based on purchase price.
- The trade-in allowance has been restored for all vehicles. The trade-in allowance is used only to reduce the taxable amount when calculating tax (i.e., if you bought a vehicle for \$10,000, and traded in another

previously tax-paid vehicle for \$4,000, the PST will be calculated on the difference: \$6,000).

- Vehicles registered in the following commercial classes do not receive the \$5,000 exemption: [A, C, D, PB, PC, PS, PT and TS](#).
- Out of country bills of sale (commercial and private) do not qualify for the \$5,000 exemption.
- Private sales of used vehicles registered for commercial use, as well as dealer sales of used vehicles, are not eligible for the \$5,000 exemption.

PST impact on other vehicles

Changes implemented April 11, 2018, do not impact other vehicle sales. PST still applies to the purchase of:

- new vehicles bought in Saskatchewan
- new commercial vehicles (heavy vehicles, buses)
- vehicles purchased or brought in from outside Saskatchewan including those received as a gift (other than settlers' effects)
- vehicles sold by vehicle dealers for sale in Saskatchewan
- previously leased vehicles where PST hasn't been paid in full
- vehicles purchased from a status Indian, an Indian band or the federal government (they're exempt from PST)
- antique vehicles

If for some reason the PST wasn't paid when you bought 1 of the above vehicles, SGI has to collect it when you register your vehicle.

Provincial Sales Tax (PST) impact on trade-ins

Effective April 11, 2018 the trade-in allowance has been restored for all vehicles whether purchased new or used. PST is calculated on the purchase price or the Red Book value minus any trade-in allowance. For example, if you bought a vehicle for \$10,000, and traded in another previously tax-paid vehicle for \$4,000, then tax will be calculated on the difference: \$6,000.

Find out more:

SGI collects PST on behalf of Saskatchewan Finance, which administers the PST program. For more information, visit the [Ministry of Finance website](#) or call 1-800-667-6102.