



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

ENVIRONMENT TAX ACT

PLEASE NOTE

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This document is *not* the official version of the Act. The Act and the amendments as printed under the authority of the Queen's Printer for the province should be consulted to determine the authoritative statement of the law.

For more information concerning the history of this Act, please see the *Table of Public Acts* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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ENVIRONMENT TAX ACT

CHAPTER E-8.3

1. Definitions

(1) In this Act

- (a) “**consumer**” means a person who
 - (i) utilizes or intends to utilize within the province a tire for the person’s own consumption, or for the consumption of another person at the expense of the first person,
 - (ii) utilizes or intends to utilize within the province a tire on behalf of or as agent for a principal who desired or desires to so utilize the tires for consumption by the principal or by any other person at the expense of the principal, or
 - (iii) brings into, causes to be brought into, or takes delivery within the province of a tire for the person’s own consumption, or for the consumption of another person at the expense of the first person;
- (a.1) “**inspector**” means an inspector as defined in the *Revenue Administration Act*;
- (a.2) “**Minister**” means the Minister of Finance;
- (a.3) “**motor vehicle**” means a vehicle that is powered, drawn, propelled or driven by any means other than muscular power;
- (b) repealed by *1992, c.20, s.1*;
- (c) “**new tire**” means
 - (i) a tire, other than one referred to in subclause (ii), that has not previously been sold at a retail sale in the province, or
 - (ii) a tire that is attached to, or included with, a motor vehicle at the time of the first retail sale in the province of that motor vehicle;
- (d) “**person**”, in addition to the meaning ascribed to it by the *Interpretation Act* R.S.P.E.I. 1988, Cap. I-8, includes a municipal corporation, education authority or any other board, commission, committee or authority established for public or local purposes;
- (e) “**purchaser**” means a consumer who acquires
 - (i) a new tire at a retail sale in the province, or
 - (ii) a tire outside the province for use within the province;
- (f) “**registered vendor**” means a vendor who holds a valid and subsisting registration certificate;
- (g) “**registration certificate**” means a registration certificate issued under section 1.2;
- (h) “**regulations**” means regulations made under this Act;
- (i) “**retail sale**” means a sale of a new tire to a consumer for the purpose of consumption and not for resale and, without restricting the generality of the foregoing, includes exchange, barter, sale on credit, conditional sale, sale where the price is payable by

- instalments, transfer of title, conditional or otherwise, and any other contract by which, for consideration, a person delivers a new tire to a consumer;
- (j) “**tax**” means a tax imposed pursuant to this Act, and includes all penalties and interest that are, may be or may have been added to a tax pursuant to this Act or the *Revenue Administration Act*;
 - (k) “**tire**” means
 - (i) a pneumatic tire for use with a motor vehicle, and
 - (ii) a solid rubber tire sold with an automobile or truck for use as a spare tire, but does not include a retreaded pneumatic tire;
 - (l) “**vendor**” means a person who in the ordinary course of business within the province, either on his own behalf or on behalf of another, sells new tires to a consumer.

Tires cease to be new after retail sale

- (1.1) For greater certainty, a tire ceases to be a new tire for the purposes of this Act immediately after it is first purchased at a retail sale in the province.

Tire tax

- (2) Subject to subsections (3), (3.1) and (3.2), every purchaser of a new tire at a retail sale shall pay to her Majesty in right of the province a tax at the rate of
 - (a) \$4 for each tire purchased that has a rim size of 43.18 centimetres (17 inches) or less; and
 - (b) \$11.25 for each tire purchased that has a rim size greater than 43.18 centimetres (17 inches).

Exemptions

- (3) Subsection (2) does not apply to
 - (a) a tire for a motorized wheelchair or other motorized device used or intended for use by a disabled person;
 - (b) a tire included in goods brought into the province as settler’s effects as defined in regulations made under the *Retail Sales Tax Act* R.S.P.E.I. 1988, Cap. R-13.03; or
 - (c) a tire attached to, or included with, a motor vehicle acquired through a family transfer, as defined under the *Retail Sales Tax Act*.

Exemption for Indians

- (3.1) A consumer who is an Indian, as defined in the *Indian Act* R.S.C. 1985, Cap. I-5 and who resides on a reserve in Prince Edward Island, is not liable to pay the tax imposed under subsection (2) in respect of the purchase of a new tire.

Registered vendor, exemption

- (3.2) A registered vendor is not liable to pay the tax imposed under subsection (2) on the purchase of new tires which the registered vendor intends to resell in the ordinary course of business.

When tax payable

- (3.3) A purchaser shall pay the tax imposed under subsection (2) on the purchase of a new tire at the time of the purchase.

Purchase or motor vehicle

- (4) For the avoidance of doubt it is declared that the purchase of a motor vehicle to which a tire is attached or in connection with which a tire is supplied is the purchase of a tire.

Application of revenue Acts

- (5) Subject to subsection (6), the provisions of the *Revenue Administration Act* R.S.P.E.I. 1988, Cap. R-13.2 apply to the collection and remission of the tax.

Tax to be shown separately

- (6) to (8) Repealed by 2015,c.5,s.1(8). 1991, c.9, s.1; 1992, c.20, s.1; 1997,c.14,s.1; 2005,c.31,s.1; 2012,c.13,s.1; 2012(2nd),c.22,s.23; 2015,c.5,s.1; 2016,c.6,s.116.

1.1 Definition, Crown in right of the province

- (1) For the purposes of subsection (2), “**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; and
 - (c) Health PEI.

Crown not bound by Act

- (2) This Act does not bind the Crown in right of the province. 2015,c.5,s.2.

1.2 Registration certificate, requirement for

- (1) No person shall sell, offer to sell or permit the sale or offering for sale by an employee or agent of the person of new tires at a retail sale in the province unless the person, when doing so, holds a valid and subsisting registration certificate as a registered vendor. Issuance of registration certificate
- (2) The Minister may, on application by a person in the manner and form required by the Minister, register the person as a registered vendor and issue a registration certificate to the person.

Certificate for place of business

- (3) A registered vendor shall obtain a separate registration certificate in respect of each place of business at which the registered vendor engages in the retail sale of new tires. 2015,c.5,s.2.

1.3 Display at place of business

- (1) A registered vendor shall keep his or her registration certificate at the place of business of the registered vendor for which it was issued and shall post it in a prominent place in the place of business.

Not transferable

- (2) A registered vendor shall not transfer his or her registration certificate to any other person.

Change of name or address

- (3) Where the name or address of a registered vendor’s business changes, the registered vendor shall immediately return the registration certificate for that place of business to the Minister for amendment.

Ceasing to carry on retail sale of new tires

- (4) Where a registered vendor ceases to carry on the retail sale of new tires at a place of business, the registered vendor’s registration certificate for that place of business is immediately

terminated and the vendor shall return the registration certificate to the Minister within fifteen days of the date of cessation.

Loss or destruction of registration certificate

- (5) Where the registration certificate of a registered vendor is lost or destroyed, the registered vendor shall immediately apply to the Minister for the issuance of a copy of the original. *2015, c.5, s.2.*

1.4 Registered vendor is an agent of the Minister

- (1) Every registered vendor is an agent of the Minister for the purposes of collecting and remitting the tax imposed under subsection 1(2) of this Act and shall collect the tax when it is payable in accordance with this Act.

Time of collection of tax

- (2) A registered vendor shall collect the tax imposed under subsection 1(2) on the purchase of a new tire at the time of the purchase, irrespective of whether the purchase is for cash or on terms, by instalments or otherwise.

Requirement to show tax separately on records

- (3) A registered vendor shall show the tax payable under subsection 1(2) separately from the sale price of the new tire or any other amount being charged on any record, receipt, bill, invoice or other document kept or issued by the registered vendor in respect of the retail sale of the new tire. *2015, c.5, s.2.*

1.5 Registration certificate required by assignee, liquidator, administrator and trustee

- (1) Every person who, as assignee, liquidator, administrator, receiver, receiver-manager, trustee or other like person, other than a trustee appointed under the *Bankruptcy Act* R.S.C. 1985, Cap. B-3, takes control or possession of the property of any registered vendor or carries on or manages the business of the registered vendor shall, before carrying on or managing the business or before distributing the property or proceeds from the realization of the property under the person's control or possession, obtain from the Minister a registration certificate as a registered vendor for the purposes of this Act.

Remission of amount equal to all unremitted taxes

- (2) Any person referred to in subsection (1) who takes control or possession of the property of a registered vendor or who carries on or manages the business of a registered vendor shall remit to the Minister an amount equal to all unremitted taxes collected by the registered vendor at the times and in the manner as is required under the *Revenue Administration Act* and its regulations.

Personal liability

- (3) Any person referred to in subsection (1) who takes control or possession of the property of a registered vendor or who carries on or manages the business of a registered vendor and
- (a) distributes the property or proceeds from the realization thereof under the person's control or possession without having obtained the registration certificate required under subsection (1); or
 - (b) distributes any unremitted taxes collected by the registered vendor

is personally liable to the Government for any amount that is due and payable to the Government under this Act.



Amount of personal liability

- (4) The personal liability of a person referred to in subsection (3) is limited to the lesser of
- (a) an amount equal to the unremitted taxes collected by the vendor; and
 - (b) the value of the property or proceeds from the realization of the property, notwithstanding any charges, liens or other security taken against or affecting the vendor's assets. *2015,c.5,s.2.*

1.6 Bill of sale

Any person, other than a registered vendor, who makes a retail sale of a new tire within the province to a consumer, shall, upon the written request of the Minister, provide the Minister with a copy of the bill of sale or any other document relating to the sale that the Minister may require. *2015,c.5,s.2.*

2. Tax payable on registration of motor vehicles purchased outside the province

- (1) Where a motor vehicle is purchased outside the province, upon the first registration of that motor vehicle in the province the person registering the motor vehicle shall pay to Her Majesty in right of the province at the time of registration a tax in respect of each tire attached to, or included with the purchase of, the motor vehicle in the same amount as would have been payable under subsection 1(2) if the tire had been purchased as a new tire at a retail sale in the province.

When tax payable

- (2) For greater certainty, the time of registration of the motor vehicle under this section is deemed to be the time of the purchase of the new tires for the purposes of subsection 1(3.3). *1992, c.20, s.2; 2015,c.5,s.3.*

3. Regulations

The Lieutenant Governor in Council may make such regulations as the Lieutenant Governor in Council considers necessary for carrying out the purposes and provisions of this Act and, without limiting the generality of the foregoing, may make regulations

- (a) defining any expression used but not defined in this Act;
- (b) providing for a rebate of the tax paid on tires included with the purchase of a motor vehicle subsequently removed from the province;
- (c) providing for a rebate of the tax paid by foreign diplomats. *2015,c.5,s.4.*