

Tax Information

Guide 2008

Guide: 2008
Date: June 24, 2008
Subject: Provincial Tax on Purchase of Aircraft From Persons Other Than GST/HST
Registrants - Section 31B of the *Revenue Act*

This guide outlines the application of Nova Scotia Sales Tax (NSST) on the private purchase of aircraft. For purposes of this Guide, the term aircraft means any type of aircraft, including those propelled by engines or other means, and also those with no means of self-propulsion.

Under the Nova Scotia *Revenue Act*, tax applies to the private purchase of an aircraft. For the purposes of this tax, a private purchase is where the purchase is **not** a taxable supply made by a GST/HST registrant.

Aircraft brought into Nova Scotia from Within Canada

Every person who brings or receives delivery of an aircraft into the Province that has been acquired or purchased from a person who is not a GST/HST registrant must pay NSST on the aircraft as would have been payable if the aircraft had been purchased in Nova Scotia.

Aircraft brought into Nova Scotia from Outside Canada

Aircraft imported into Nova Scotia from outside Canada are not subject to NSST, however, the Canada Revenue Agency and Canada Border Services Agency should be contacted for the payment of any applicable taxes and/or duties which may be due under the authority of the *Excise Tax Act* (Canada).

Exemptions:

1. Aircraft normally engaged in foreign or interprovincial public carriage of passengers or freight for gain.
2. Aircraft purchased by a status Indian or Indian Band provided that the transfer of possession takes place on a reserve.
3. Aircraft acquired through an inheritance, regardless of the deceased owner's former place of residence.
4. Aircraft purchased by municipal, provincial and federal governments.
5. Gift from a family member (Spouse/common law spouse/same sex partners, mother/father/step-mother/step-father, mother-in-law/father-in-law, son-in-law/daughter-in-law, son/daughter/step-son/step-daughter, brother/sister or grandparent/grandchild).

Trade-Ins on Purchase of Aircraft

Where tangible personal property is accepted by a seller of an aircraft at the time of sale and the seller is not an GST/HST registrant, the purchaser must pay NSST to the Province on the difference between

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the selling price and the amount of credit allowed for the tangible personal property (for example: motor vehicles, planes, boats and trailers) used as a trade-in.

The following conditions must be met for transactions involving a trade-in that is accepted against a future delivery of an aircraft resulting from a sale:

1. There must be a firm commitment between the purchaser and seller/broker to purchase a aircraft. This commitment must be supported by documentation at the time of the trade. These documents must be in the form of a contract, purchase order or credit note signed and retained by the purchaser and seller.
2. The time lapse between acceptance of the traded unit and delivery of the aircraft must be reasonable in the circumstances.
3. The amount of credit allowed for the trade-in unit must be reasonable in the circumstances.

How To Pay the NSST

The purchaser of an aircraft on a private sale basis is required to pay the applicable tax directly to the Department of Service Nova Scotia and Municipal Relations with payment made out to the N. S. Minister of Finance. A copy of the Bill of Sale must accompany the payment. For further information in respect to your payment, phone 1-800-429-0621 ext 4245040. Payments may be made by mail or in person to:

Service Nova Scotia and Municipal Relations
1505 Barrington Street, Suite 1025, 10th Floor (South)
PO Box 755
Halifax, Nova Scotia
B3J 2V4.

Rebates

GST/HST Registrants

A rebate of the NSST is available to qualified applicants who are GST/HST registrants. A person may apply for a rebate of the NSST if that person is a GST/HST registrant and uses the aircraft in the course of the registrant's commercial activity. Rebates will apply in proportion to the use in the registrant's commercial activity.

Rebate forms can be obtained from your nearest Access Nova Scotia office or by calling Service Nova Scotia & Municipal Relations or on our website (See [Application for Rebate form](#)).

Removal From The Province

Persons may apply for a rebate of 100% of the NSST paid if the aircraft is **permanently** removed from Nova Scotia within 30 days from the date of purchase.

Rebate forms can be obtained from your nearest Access Nova Scotia office or by calling Service Nova Scotia & Municipal Relations or on our website (See [Application for Rebate form](#)).

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