

Provincial Vehicle Tax (PVT)

Used Vehicles and Taxes: Frequently Asked Questions

I bought my vehicle in a private sale. Do I have to pay tax when I register it?

Yes. Taxes are collected by Service New Brunswick (SNB), on behalf of Finance and Treasury Board, during the transfer of vehicle ownership transaction.

How much tax will I pay?

You will pay 15% PVT on the fair value of the vehicle.

How will the fair value be determined when I transfer the ownership at SNB?

At the time of registration, the fair value of a vehicle, for the purpose of taxation, is the greater of:

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

However, when the purchase price is less than the average wholesale value, but the difference between both values is \$1,000 or less, the fair value is determined to be the purchase price, while not going below the minimum fair value. For further information, please refer to [Bulletin PVTB-101](#); Determining the Fair Value of a Vehicle.

Are there minimum values for taxation?

Yes, for the purpose of taxation, the minimum value for motor vehicles is \$1,000 and the minimum value for motorcycles and off-road vehicles is \$500. For example, if the bill of sale indicates the purchase price of a motor vehicle is \$600 and the average wholesale value is \$1,250, the fair value for taxation is the minimum value of \$1,000.

How is the average wholesale value determined?

The average wholesale value is determined through the use of trade publications acceptable to the Provincial Tax Commissioner. For the processing of transactions at the SNB counter, the Canadian Red Book (Red Book) is used for motor vehicles, and the Canadian Sport Vehicle Blue Book (Blue Book) is used for motorcycles and off-road vehicles. These books are standard valuation tools used by many jurisdictions and the books take into account a variety of factors that affect the resale values of vehicles. Both the Red Book and the Blue Book list average wholesale values based on the Vehicle Identification Number (VIN).

What if the vehicle I purchased is not in the Red Book or the Blue Book?

Where a vehicle does not appear in the Red Book or Blue Book, a Vehicle Purchase Affidavit (VPA) must be completed to allow for a preliminary assessment of the applicable tax. The VPA is available at SNB and is completed at the time of transaction. As is the case with any vehicle ownership transfer, the transaction is subject to audit. For further information, please refer to the [PVT Vehicle Purchase Affidavit: Frequently Asked Questions](#).

I purchased a vehicle through private sale from outside of New Brunswick, how will the tax due be calculated?

If the vehicle was purchased within Canada from an individual, you will pay 15% PVT on the fair value of the vehicle.

If the vehicle was purchased in another country, and you paid the 5% federal tax when the vehicle was imported into Canada, you will pay the provincial portion of the Harmonized Sales Tax (HST) at a rate of 10%. The value used for taxes is determined by

the Casual Goods and Accounting document received from the Canada Border Services Agency.

How can I determine the amount of taxes I will pay when registering the vehicle?

The Department recognizes there is a responsibility to inform taxpayers of their potential tax liabilities and has implemented procedures to ensure fairness while also protecting the tax system. Individuals looking to determine their potential tax liability on a vehicle they have purchased or are in the process of purchasing, may contact the Department at 1-800-669-7070, provide their name, phone number, VIN and negotiated purchase price to obtain an estimated taxable value.

Are there transactions that are exempt from tax?

Yes. In certain situations, the *Harmonized Sales Tax Act* allows for transactions to be processed exempt of tax. For further information please refer to [Bulletin PVTB-103](#); Exemptions and/or [PVT Exemptions; Frequently Asked Questions](#).

What can I do if my vehicle has exceptionally high mileage or is extensively damaged and I do not feel that the fair value for taxation actually reflects the value of my vehicle?

A purchaser may apply for a refund of a portion of the PVT paid on the private sale transfer of a vehicle if the tax has been imposed on a value other than the bill of sale, or the minimum fair value, and the purchaser can demonstrate that the fair value should be lower due to extensive damage or high mileage. For more information, please refer to [Bulletin PVTB-109](#); Refund for Extensively Damaged Vehicles and / or [Bulletin PVTB-110](#); High Mileage Refund.

Who can I contact if I have questions or concerns about the taxation of my vehicle?

Please contact the Revenue Administration Division of Finance and Treasury Board at 1-800-669-7070 or via email at wwwfin@gnb.ca . You may also write to the Department at P.O. Box 3000, Fredericton, NB E3B 5G5.