Information Bulletin

PST-78 **Issued: September 2023** **Revised: August 2026**

THE PROVINCIAL SALES TAX ACT

PRIVATE VEHICLE SALES AND OTHER VEHICLE TRANSACTIONS

This bulletin has been prepared to assist you in understanding the application of Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

Changes to this bulletin are indicated by a (|) in the left margin.

The contents of this bulletin are presented under the following sections:

A. Overview
B. Private Purchases
C. Use of Red Book Values
D. Light Duty Trailers and Recreational Vehicles
E. Settler's Effects Exemption
F. Gifts and Low-Value Transactions Between First-Degree Relatives
G. Commercial Sales and Other Taxable Vehicle Transactions
H. Vehicle Exemption Request for Transfers Between Related Entities
I. Vehicle Donations to Charitable and Non-Profit Organizations
J. Total Loss Vehicles
K. Tax Tips Line
L. Saskatchewan eTax Services (SETS)

A. OVERVIEW

New and used vehicles are subject to Provincial Sales Tax (PST) on the total selling price.

- Motor dealers and other businesses selling or leasing new or used vehicles are required to collect the applicable PST at the time of sale.
- Saskatchewan Government Insurance (SGI) and their motor licence issuers are responsible for the collection of PST:
  - at the time of registration for vehicles purchased privately, and
  - in other situations where the PST was not collected, such as those listed in Section G.

B. PRIVATE PURCHASES

Motor licence issuers are required to collect PST on a private purchase at the time of vehicle registration.

What is a Private Purchase?

"Private purchase" means:

- both the purchaser and seller are individuals or farm corporations;
- the vehicle was registered to the seller for personal or farm use; **and**
- the vehicle is being registered to the purchaser for personal or farm use.

If either the purchaser or seller is a business (other than farm), or the vehicle is registered by either the seller or purchaser for commercial purposes, it is a commercial transaction. For additional information related to commercial transactions please see Section G.

$5,000 Exemption

Instance	Application of PST
Purchase Price and Red Book Value of $5,000 or Less	The private purchase of a used vehicle for $5,000 or less is exempt from PST, providing the fair-market value (Red Book value) does not exceed $5,000. See Section C regarding use of Red Book values.
Purchase Price or Red Book Value Greater Than $5,000	The private purchase of a used vehicle with a purchase price or fair-market value (Red Book value) greater than $5,000 does not qualify for the $5,000 exemption. Tax applies to the total purchase price. See Section C regarding use of Red Book values.

Private Purchases Outside Saskatchewan

Location	Application of PST
Within Canada	The private purchase of a used vehicle from outside Saskatchewan, but within Canada, qualifies for the $5,000 exemption if both the purchase price and the Red Book value are $5,000 or less. See Section C regarding use of Red Book values.
Outside Canada	A vehicle purchased from outside Canada does not qualify for the $5,000 exemption.

Trade-Ins

A trade-in vehicle must be Saskatchewan tax-paid by the purchaser to be eligible for the trade-in allowance, including a vehicle deemed to be Saskatchewan tax-paid (i.e. qualified for an exemption such as settler's effects, gift, bequest, or was a previously tax-paid used light vehicle acquired between November 8, 2007 and April 11, 2018).

The purchase price (or Red Book value if applicable), before deduction of the trade-in value, is used in determining whether the $5,000 exemption applies. If the purchase price is greater than $5,000 the PST applies to the net price after deduction of the trade-in value, even if the net price is $5,000 or less.

The Ministry of Finance can assign a value to establish the fair market value (Red Book value) in circumstances where the trade-in allowance is viewed as unreasonable for PST purposes. See Section C regarding use of Red Book values.

Note: A trade-in allowance is the value credited toward the purchase of a vehicle when a purchaser trades in another vehicle. Please see Information Bulletin PST-18, *Commercial Vehicle Sales and Leases* for the conditions that must be met.

Status Indian Exemption

A Status Indian is exempt from paying the PST on a privately purchased vehicle providing the transaction is finalized on-reserve and the vehicle is delivered to the reserve by the seller. This must be noted on the bill-of-sale. The bill-of-sale and the purchaser's *Certificate of Indian Status* card must be presented to the motor licence issuer at the time of registration to be eligible for the exemption.

An *Exempt Motor Vehicle Sales Certificate* must also be completed to support the exemption.

When the transaction is not finalized on reserve or the purchaser takes delivery off-reserve, PST applies. If the purchaser arranges for their own delivery from a location off-reserve, possession takes place off-reserve, and the sale or lease is not eligible for the exemption.

A joint purchase by a Status Indian and non-status individual does not qualify for the exemption.

Please see Information Bulletin PST-63, *Sales to First Nations Individuals and Organizations* for further information.

C. USE OF RED BOOK VALUES

What is Red Book?

The Canadian Red Book ("Red Book") is a vehicle valuation guide published by Carfax Canada and used by Canadian governments, insurance companies, financial institutions, auto dealers and appraisers.

The Red Book average retail price is used by Finance to establish reasonable fair-market values for PST purposes for private vehicle transactions. The average retail price is based on the average condition of vehicles of that year, make, and model, and may be higher or lower than the purchase price due to the current resale market or the actual condition of the vehicle (e.g. higher or lower than average odometer reading, better or worse than average physical or mechanical condition).

The motor licence issuer is required to apply the PST on the greater of the purchase price according to the bill-of-sale or the Red Book average retail price at the time of registration.

Note: Finance officials, SGI and their motor licence issuers, are not authorized to disclose Red Book values to the public.

If Purchase Prices are Lower than Red Book

In situations where an individual paid less than the Red Book value, **and** the condition of the vehicle warrants the lower price, the purchaser may contact Finance to determine if the purchase price may be used for PST purposes rather than the Red Book value. Evidence must be provided to support the lower purchase price; including the bill-of-sale, current odometer reading, pictures of damages, SGI safety inspection or repair quote provided by a third-party repair shop.

The purchaser may submit evidence to Finance for review prior to registering the vehicle, in which case Finance may issue a letter authorizing the purchase price to be used for PST purposes rather than Red Book value. Alternatively, the PST can be paid based on the Red Book value and the purchaser may Apply for a PST Refund.

If No Red Book Value Exists

In situations where there is no Red Book value available for a privately purchased vehicle (e.g. an antique vehicle, recreational vehicle or trailer) or taxable vehicle from outside Saskatchewan, the PST will apply on the higher of the bill-of-sale price, dealer appraised value or declared value for insurance purposes.

D. RECREATIONAL VEHICLES AND LIGHT-DUTY TRAILERS

Recreational vehicles and light-duty trailers include:

- Snowmobiles
- Motorcycles
- Boats
- Recreational trailers (cabin, tent, fifth wheel and slide-in campers)
- Utility trailers
- Cargo trailers
- Personal watercraft

PST Application

SGI and their licence issuers are responsible for the collection of PST on private purchases, and other transactions where the PST was not collected, at the time of registration.

The $5,000 exemption for private vehicle transactions also applies to light-duty trailers and recreational vehicles, subject to the criteria outlined in Section B. As the Red Book does not provide values for these vehicles, PST generally applies based on the bill-of-sale price. However, Finance can assign a value to establish a fair market value in circumstances where the bill-of-sale price is viewed as unreasonable for PST purposes.

Boat Trailers, Boats and Motors

The SGI motor licence issuer is responsible for the collection of PST on privately purchased boat trailers **and** boats and motors included in the purchase at the time of registering the trailer. The boat trailer, boat and motor are viewed as a single unit for the purpose of applying the $5,000 exemption for private purchases, even if the values are segregated on the bill-of-sale or separate bills-of-sale are issued.

If the tax owing on the boat and motor is inadvertently missed at the time of registering the trailer, Finance will contact the registrant directly to collect the applicable tax.

E. SETTLER'S EFFECTS EXEMPTION

Individuals taking up residency in Saskatchewan are eligible for the settler's effects exemption on personal or farm use vehicles brought into Saskatchewan, providing all of the following criteria are met (this includes light duty trailers and recreational vehicles):

- the registrant resided outside Saskatchewan for at least 6 months (**Note**: temporary residents of Saskatchewan or residents that were temporarily out of province are not eligible);
- the registrant owned the vehicle for at least 30 days prior to taking up residency in Saskatchewan (**Note**: leased vehicles are not eligible);
- the vehicle was registered for personal or farm use in the previous jurisdiction;
- the registrant takes out a Saskatchewan driver's licence and turns in their licence from the previous jurisdiction; **and**
- the vehicle is being registered in Saskatchewan for personal or farm use within 12 months of taking up residency in Saskatchewan (**Note:** if the vehicle is being registered more than 12 months after taking up residence, the registrant may request authorization from Finance).

Supporting documentation, such as the following, may be requested:

- health card, insurance card, utility stub, etc. (to verify the registrant was a non-resident);
- previous vehicle registration or bill-of-sale in the registrant's name, issued at least 30 days prior to taking up residency in Saskatchewan; and
- copy of marriage certificate (when the previous vehicle registration is in their spouse's name).

If the criteria are not met, the SGI motor licence issuer is required to collect the applicable PST at the time of registration.

Not Eligible If

Individuals who temporarily leave Saskatchewan and retain Saskatchewan residency, including a Saskatchewan driver's licence, are not considered settlers for the purposes of this exemption and are not eligible for a Provincial Sales Tax (PST) exemption on motor vehicles purchased outside the province and later registered in Saskatchewan.

Trade-Ins

A vehicle that qualifies for the settler's effects exemption is deemed to be Saskatchewan tax-paid and eligible for the trade-in allowance when applied toward the purchase of another vehicle in a single transaction. If the settler has not yet registered the vehicle in Saskatchewan at the time of trade, they may obtain a letter from Finance authorizing the exemption.

F. GIFTS AND LOW-VALUE TRANSACTIONS BETWEEN QUALIFYING FAMILY MEMBERS

Who are Qualifying Family Members?

"Qualifying family members" are the person's:

- spouse or common-law spouse (including same sex partners)
- parent or step-parent
- child or step-child
- grandparent or step-grandparent
- grandchild or step-grandchild
- brother or step-brother
- sister or step-sister
- legal guardian or foster parent
- father-in-law or mother-in-law
- son-in-law or daughter-in-law

Eligible Vehicles

For both gifts and low-value transactions between "qualifying family members", an **eligible vehicle** is one that is:

- Saskatchewan tax-paid by the donor/seller; **or**
- deemed to be Saskatchewan tax-paid by the donor/seller (i.e. the donor/seller qualified for an exemption such as settler's effects, gift, bequest, **or** the vehicle was a previously tax-paid used light vehicle acquired between November 8, 2007 and April 11, 2018).

PST Application

	Application of PST
Gift from a qualifying family member	PST does not apply to eligible vehicles gifted between qualifying family members for personal, non-business use.
Low-Value Sale to a qualifying family member	Eligible vehicles sold to qualifying family members below the Red Book value are subject to PST on the selling price rather than the Red Book Value. If the selling price is $5,000 or less tax does not apply, see Section B.

The donor/seller must provide the recipient/purchaser with a letter stating their relationship, and whether it is a gift or low-value transaction. This letter must be presented to the licence issuer at the time of registration.

A gift or low-value purchase from a qualifying family member, of a vehicle that is **not** tax-paid or deemed to be tax-paid (e.g. the donor/seller purchased or registered the vehicle outside Saskatchewan) is subject to PST on the higher of the Red Book value or purchase price, when either value is greater than $5,000. When both the Red Book value and purchase price are $5,000 or less, PST does not apply.

When the Red Book value is higher than the purchase price, and the condition of the vehicle warrants the lower price, the recipient may contact Finance to determine if the purchase price may be used for PST purposes rather than the Red Book value. Please see Section C regarding the use of Red Book values.

The gift exemption criteria also applies to transfers of ownership as a result of a divorce or legal separation settlement.

Trade-Ins

A vehicle that was eligible for the gift exemption is deemed to be tax-paid and qualifies for the trade-in allowance when applied toward the purchase of another vehicle in a single transaction. If the recipient has not yet registered the vehicle in Saskatchewan at the time of trade, they may request a letter of authorization from Finance.

G. COMMERCIAL SALES AND OTHER TAXABLE VEHICLE TRANSACTIONS

Motor dealers and any other businesses selling or leasing new or used vehicles are required to collect the PST, as applicable, regardless of whether vehicle sales is their primary business activity. When PST has not been collected as required, it may be assessed in an audit along with penalty and interest charges.

Licence issuers will collect the PST at the time of registration when it has not been collected by the seller (unless the purchaser is eligible for an exemption), including situations such as the following:

- the vehicle was purchased from a business that did not collect the tax;
- the vehicle was purchased from an unlicensed motor dealer or other business located outside Saskatchewan;
- a business transfers their vehicles to Saskatchewan from another jurisdiction; or
- a business purchases a vehicle from an individual.

The tax applies based on the total purchase price, or depreciated value, in these situations. Red Book values may be used in situations where a bill of sale is not available. Finance may also assign a value for PST purposes when the purchase price appears unreasonable. For additional information, please see Information Bulletin PST-18, *Commercial Vehicle Sales and Leases.*

Consignment Sales

When a dealer sells a customer's car, usually for a percentage of the selling price it is a consignment sale. Vehicles are brought to the dealer's lot and the sale is made and recorded in the dealer's records. The purchaser makes payment to the dealer who, after deducting commission and costs, makes payment to the owner. This is a commercial sale and PST must be collected from the purchaser on the total selling price.

Salvage Sales

Salvage vehicles sold by SGI or an auto wrecker are considered commercial sales and are not eligible for the $5,000 exemption for private sales. The seller is required to collect the PST on the total selling price.

H. VEHICLE EXEMPTION REQUEST FOR TRANSFERS BETWEEN RELATED ENTITIES

When specific criteria are met, tax paid business assets may be transferred between related entities exempt from PST. Written authorization must be obtained from Finance. Please see Information Bulletin PST-60, *Transfer of Business Assets* for detailed eligibility criteria and the supporting documentation to submit with a PST exemption request.

Vehicle Transfer Tax Exemption Request Process

Requests for a vehicle exemption letter must be submitted to Finance by email at sasktaxinfo@gov.sk.ca.

Applicants must provide sufficient information to support the request, including:

- a description of the situation/request
- current registered owner and transferee details
- vehicle information (vehicle registration or year, make and model)
- bill of sale

Examples of supporting documentation that may be requested include:

- valid government-issued identification
- vehicle registration documents
- corporate or legal documents (where applicable)
- proof of relationship (e.g., for qualifying family member transfers)

Finance may request additional information or documentation as required to complete the review.

Where eligibility criteria are met, Finance will issue a vehicle exemption letter to the applicant by email.

I. VEHICLE DONATIONS TO CHARITABLE AND NON-PROFIT ORGANIZATIONS

Vehicles donated to a charitable, non-profit organization (i.e. schools, hospitals, service clubs, etc.) for their use are exempt from PST, subject to approval by Finance.

To claim the exemption at the time of registration:

- the recipient organization must apply and obtain a Vehicle Exemption Letter from Finance; and
- the letter should be presented to the motor licence issuer when registering the vehicle.

Alternatively, the recipient can apply to Finance for a refund of tax paid at the time of registration.

Note: Recipients may be required to provide supporting documentation from the Canada Revenue Agency (CRA) that confirms their non-profit/charitable status.

J. TOTAL LOSS VEHICLES

When a vehicle is involved in an accident resulting in a total loss insurance settlement, there is no provision for a PST credit or refund to be obtained from Finance. However, the insurance company may negotiate a settlement amount including PST on the value of the total loss. Enquiries related to the insurance settlement should be directed to the insurance company.

If the insured chooses to purchase their salvaged vehicle back from the insurance company, there is no change in ownership and therefore PST does not apply to this transaction.

K. TAX TIPS LINE

When a business or individual does not comply with provincial tax legislation, businesses face unfair competition and a burden is placed on all taxpayers who do comply. It causes significant loss in the revenue available to fund services such as health, education and other important government programs.

Tax Tips Line provides an anonymous, fully confidential way for the public to report businesses or individuals who are participating in tax fraud. If you suspect that a business or individual is being dishonest with their provincial taxes or is misrepresenting their activities to reduce their taxes, you can report them using Tax Tips Line.

Please visit our website at saskatchewan.ca/business/taxes-licensing-and-reporting/provincial-taxes-policies-and-bulletins/tax-tips-line to find out more regarding types of tax fraud and the information to report, if possible.

Tax Tips Line is specifically and solely for information related to provincial tax compliance. Any unrelated inquiries or information will not be addressed by the Tax Tips Line, and should be directed to the appropriate organization.

How to Report:

1) Toll-free 1-833-334-8477
2) Write: Ministry of Finance
   Revenue Division
   PO Box 200
   REGINA SK S4P 2Z6
3) Online Form Submission

L. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS (sets.saskatchewan.ca):

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

FOR FURTHER INFORMATION

Write:	Ministry of Finance Revenue Division PO Box 200 REGINA SK S4P 2Z6	Telephone:	Toll Free 1-800-667-6102 Regina 306-787-6645
		Email:	sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

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