

## Consumer Taxes

TVQ. 179-3/R1      The supply by way of sale of a road vehicle shipped outside Québec:  
satisfactory evidence of the shipment of the property

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Reference(s):          *Act respecting the Québec sales tax (CQLR, c. T-0.1), section 179*

*This version of interpretation bulletin TVQ. 179-3 supersedes the version of July 31, 1996. The bulletin was revised to make sure it is relevant and up to date. The position set out in the bulletin remains the same. Only some style changes were made.*

For purposes of section 179 of the *Act respecting the Québec sales tax (AQST)*, this bulletin explains what evidence the Minister requires of the shipment outside Québec of a road vehicle acquired from a dealer in the province of Québec by a dealer in another province.

### APPLICATION OF THE ACT

1. According to section 179 of the AQST, a supply of corporeal movable property, other than excisable goods under either the *Excise Tax Act* (R.S.C. 1985, c. E-14) or the *Excise Act, 2001* (S.C. 2002, c. 22), made by a person to a recipient, other than a consumer, who intends to ship the property outside Québec is a zero-rated supply if

- (1) in the case of property that is a continuous transmission commodity that the recipient intends to ship outside Québec by means of a wire, pipeline or other conduit, the recipient is not registered for Québec sales tax purposes;
- (2) the recipient ships the property outside Québec as soon after the property is delivered by the person to the recipient as is reasonable having regard to the circumstances surrounding the shipment outside Québec and, where applicable, to the normal business practice of the recipient;
- (3) the property is not acquired by the recipient for consumption, use or supply in Québec before the shipment of the property outside Québec by the recipient;
- (4) after the supply is made and before the recipient ships the property outside Québec, the property is not further processed, transformed or altered in Québec except to the extent reasonably necessary or incidental to its transportation; and

(5) the person maintains evidence satisfactory to the Minister of the shipment of the property outside Québec by the recipient.

2. Thus, by virtue of paragraph (5) of section 179 of the AQST, the dealer in the province of Québec must maintain evidence, satisfactory to the Minister, that the property was shipped outside Québec by the dealer in the other province.

3. In that regard, the Minister considers any of the following documentary evidence to be satisfactory evidence of the shipment of the property outside Québec:

- (1) a copy of the temporary registration certificate issued by the Société de l'assurance automobile du Québec, which is valid for four days and shows the destination of the road vehicle;
- (2) a copy of the inventory transfer showing details of the vehicle sold as well as the dealer codes of the dealers involved;
- (3) a copy of the inventory of vehicles of the dealer in the other province, which shows details of the vehicle in question; or
- (4) a statement in writing from the recipient, confirming the immediate shipment of the vehicle outside Québec.

4. Under paragraph (3) of section 179 of the AQST, the property must not be acquired by the recipient for consumption, use or supply in Québec before the shipment of the property outside Québec by the recipient. Where a dealer in another province has a vehicle driven on Québec roads in order to carry out the shipment of the vehicle outside Québec, Revenu Québec does not consider that to be use of the property in Québec before such shipment.