

April 2003 Newsletter



Provincial Sales Tax Changes For Gas (see attached letter)

Sun Peaks Utilities has been notified by the BC Ministry of Provincial Revenue of a ruling regarding the application of provincial sales tax on propane sales. This ruling will affect our commercial zoned customers, and those applicable residential customers. The PST rate on propane was increased effective March 1, 2003 from \$0.821 to \$1.055 per gigajoule.

The Utility must charge provincial sales tax on the commodity only portion of gas supplied to “all purchasers, other than individuals at residentially zoned locations, including incorporated and unincorporated businesses, numbered companies, holding companies, strata corporations, contractors, and realtors.” Residential properties that are listed in the name of an individual person or persons for joint ownership will not be charged PST by Sun Peaks Utilities. Short-term rental properties are required to self assess and remit. These customers may request in writing that Sun Peaks Utilities apply this tax to their bill.

For more information on this, please review the attached letter from the Ministry of Provincial Revenue.

Gas Safety Tips

CALL BEFORE YOU DIG at 250-578-5490 or 250-319-0629 for the location of all Sun Peaks Utility' services prior to starting any project that requires digging on your property (for landscaping, construction projects, etc.) There is no charge to locate your Utility services, but there is a charge to repair broken services.



DO YOU KNOW WHAT GAS SMELLS LIKE? - Because gas is odourless, we add trace amounts of a chemical called mercaptan, which has a distinctive rotten egg or sulphur-like odour. It smells bad for a good reason! In case of a leak, we want you to be able to detect and identify it. If you do smell gas, even if you are not sure, please contact Sun Peaks Utilities at 250-578-5490 or 250-319-0629 immediately.

*If you detect a gas odor (similar to rotten eggs), please call the office at 578-5490 immediately.
After hours, call 578-5490 and press "2" for a list of our emergency numbers.*

How you can LOWER YOUR water usage

Saving water by limiting your water use lowers your own water bill. Toilets are notorious for hidden leaks and can waste hundreds of litres of water per day. In our last newsletter, we enclosed a coupon that allowed you to purchase a Caroma Dual Flush Toilet at a discounted price until April 30th. Those customers, who took up this offer and made the change, have reduced their water and sewer utility bills between 20% and 40%. If you would like to purchase one of these water saving toilets, coupons are still available at the Utilities' Burfield office. For more information on this water efficient plumbing fixture from down under, visit the Caroma web site at www.caromausa.com.

If you have any questions on these subjects or any other utility matter, please contact the office at 250-578-5490 or via e-mail at utilities@sunpeaksresort.com.

DON'T FORGET GOLF SEASON STARTS MAY 16, 2003!

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Sun Peaks Utilities Co., Ltd.

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March 17, 2003

File Ref: 10099395L001SST
Registration: R013860

ATTENTION: TOM MOODY
SUN PEAKS UTILITIES CO., LTD.
1280 ALPINE RD RR 3
SUN PEAKS BC V0E 1Z1

Dear Sir:

Re: Provincial Sales Tax on Sales of Propane

The tax rate on propane taxed under the *Motor Fuel Tax Act* was increased effective March 1st 2003 from 2.1c to 2.7c per litre, or from 82.1c to 105.5c per gigajoule. The *Social Service Tax Act* s.6(5) requires that an equivalent tax rate be applied to propane sold for purposes other than motor fuel. Tax remains applicable only to the commodity price and not to delivery or fixed service charges.

Tax exemption is provided under s.74 of the *Social Service Tax Act* for "residential dwelling units", defined by Reg. 3.22 as single family dwellings. The standard rule applicable to utility companies is that they may not charge tax on residential zoned property that is in the name of an individual person or persons for joint ownership. Otherwise, they must collect the tax.

Tax must therefore be charged to all purchasers, other than individuals at residentially zoned locations, including incorporated and unincorporated businesses, numbered companies, holding companies, strata corporations, contractors, and realtors. A penalty may be assessed, in lieu of tax not collected, when an audit reveals sales to such non-exempt purchasers without tax.

Short-term rental properties, home based businesses and other commercial users of residential property are not exempt from tax, even though not taxed by a utility supplier when the property is in individual names. These purchasers may be assessed directly if they fail to self-assess and remit tax on utility purchases, and may subsequently request that you charge tax on billings.

If you require further information, please contact me.

Yours truly,



Mervyn Colton
Auditor, Consumer Taxation

Ministry of
Provincial Revenue

Consumer Taxation Branch
Revenue Programs Division
www.rev.gov.bc.ca/ctb

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