

No way around congestion tax on new vehicles for Metro Vancouver residents

If plebiscite passes, extra 0.5 per cent will be charged according to car's place of registration

BY KELLY SINOSKI, VANCOUVER SUN MARCH 20, 2015



Buyers hoping to get around the proposed 0.5 per cent congestion tax by purchasing a new vehicle outside of Metro Vancouver will be out of luck should the plebiscite pass. The tax will be charged according to the vehicle's place of registration, not where it was purchased. File photo.

Photograph by: Scott Olson, Getty Images

METRO VANCOUVER -- New car owners hoping to avoid a proposed 0.5 per cent sales tax by buying a vehicle outside Metro Vancouver would be out of luck if the upcoming transportation plebiscite passes.

Metro Vancouver mayors say the province has agreed the proposed tax will be applied to newly purchased vehicles based on the vehicle's place of registration — regardless of where they are bought. Mayors requested the move after concerns from Metro's new car dealerships and the public that the tax might not provide a level playing field with dealers outside the region.

Vancouver Mayor Gregor Robertson noted in a letter to B.C. Transportation Minister Todd Stone that similar models are followed in Seattle and Los Angeles, "demonstrating that differential sales taxes can be successfully implemented and managed to the benefit of residents and the economy."

The Insurance Corporation of British Columbia already requires that vehicles be registered based on

the place of residence, which is a factor in determining rates.

Blair Qualey, president of the New Car Dealers Association of B.C., agreed the move will help address some concerns of car dealers in Metro Vancouver, although those outside the region might not be as happy.

"At least some efforts are being made," he said. "It's a good sign and we're grateful that they're listening to us. If this passes, we will make sure to keep their feet to the fire."

The announcement comes as Metro Vancouver residents started receiving ballots this week for the plebiscite, which asks residents if they support a 0.5 per cent sales tax to fund transportation expansion. Metro Vancouver mayors argue the new tax would generate \$250 million annually, which would help fund \$7.5-billion in transportation projects over 10 years.

The New Car Dealers Association of B.C. hasn't take an official stance on the tax, which has divided members, but Qualey noted "we're very supportive about strategic, smart investment in transportation infrastructure."

The Yes campaign has been bolstered by labour, business, students and environment leaders. The United Way threw its support behind the Yes side this week, while the B.C. Lung Association will hold a workshop next week on how public transit improves health.

However, polls suggest the No side, led by Canadian Taxpayers Federation spokesman Jordan Bateman, has a commanding two-to-one lead, with many people opposed to giving any more public money to TransLink.

A recent poll from the Angus Reid Institute found that 61 per cent of respondents would likely vote No, compared with 27 per cent who would vote Yes.

But Stone said earlier this week that "it's too premature to suggest one side has this in the bag over another," noting that the polls far from materialized in the last provincial election.

"I place no stock whatsoever at this time," he said. "Ballots are just beginning to be mailed out. It's also going to be really critical for both sides to get the vote out. That will determines who wins this thing."

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