

From: Bernadette Keenan
To: President
Cc: bc-greens-web-setup@googlegroups.com
Sent: Wed May 06 20:50:25 2009
Subject: PST on legal services.

Thanks for your question. I was not aware of this concern previously. From what I can tell there have been periods when the PST was not charged to some individuals and refunds are possible if it was paid. However now if I understand correctly, there are no exemptions.

I agree that removing the tax altogether, would be a good thing. Legal services are getting harder and harder for people to access for this and many reasons, which is discrimination against poorer citizens particularly. Justice is not blind, fair or for all if the rich have better access due to more money.

Tax on Legal Services

In **2003**, Vancouver lawyer Dugald Christie started a court action to challenge the constitutional validity of provincial sales tax (PST) on legal services. There were **three court decisions from 2005 to 2007** (see [History of Christie case](#)).

While the issue was before the courts, the province instructed lawyers not to collect the tax from **low-income clients**. The ministry developed guidelines to assist lawyers in determining when not to charge the tax.

After two lower court rulings, the **Supreme Court of Canada ruled in May 2007** that the Province of British Columbia has a right to impose PST on legal services [*British Columbia (Attorney General) v. Christie, 2007 SCC 21*].

To ensure that individuals who were not charged tax under the guidelines would not now have to pay the tax, the province passed a **remission order**. This means if you were not charged tax during the court challenge as a low-income individual, you do not have to pay the tax now. It also allows a refund for low-income individuals who paid the tax during the court challenge but met the guidelines.

If you did pay the tax on legal services billed **after February 7, 2005** and **before May 25, 2007**, but qualified as a low-income individual under the guidelines, you can **apply for a refund**. Please see the [Notice to Taxpayers – Provincial Sales Tax \(PST\) on Legal Services](#) and our [Frequently Asked Questions](#) for more information.

To apply for a refund, please use the *Application for Refund of Tax on Legal Services* form ([FIN 197](#)). If you have already applied for a refund, please do not re-apply. We will be in contact with you.

Lawyers should consult the [Notice to Lawyers](#) for information on remitting PST held in trust and claiming commissions.

Bulletins:

[SST 061](#) - Legal Services