

Private Sales

About this Guide

The information in this *Guide* explains how Retail Sales Tax (RST) applies to taxable goods sold privately by one person to another. Please note that this *Guide* replaces the previous version dated November 1995.

Taxable Goods

Examples of Taxable Goods

RST must be paid by the purchaser of taxable goods. The following are examples of items that are taxable whether new or used:

- adult clothing
- antiques, art, jewellery, coins and stamps
- boats, watercraft, aircraft and vehicles of all kinds, including trailers and snowmobiles
- bicycles and motorcycles
- cameras, radios, stereos and televisions
- camping and sporting equipment
- computer hardware and software
- construction equipment, machinery and tools
- furniture and appliances
- gardening tools and lawn ornaments
- handicrafts
- pets
- tools and machinery
- toys, games and musical instruments.

Payment of RST

A person buying taxable goods privately is responsible for paying the RST on the fair value of the goods. Payment of the RST due should be made by cheque or money order, payable to the **Minister of Finance**. The payment, along with details such as the consumer's name, address, and a description of the goods bought, should be sent to the nearest Ontario Ministry of Revenue Tax Office, or directly to:

Ministry of Revenue
Centralized Programs Unit
1600 Champlain Ave
Whitby ON L1N 9B2

Trade-in Value

With the exception of motor vehicles, RST is payable on the difference between the fair value of the **taxable** goods sold and the credit allowed for **taxable** goods accepted as a trade-in. If tax-exempt goods are accepted as a trade-in, RST applies to the full fair value of the taxable goods. For more information on how RST applies to used motor vehicles, refer to **RST Guide 209 - Used Vehicle Information Program**.

Goods Brought Into Ontario

RST, including any applicable tax for fuel conservation on vehicles, is payable on taxable goods bought outside Ontario and imported for use in Ontario. See ***RST Guide 202 - Goods Brought Into Ontario*** for further details.

Sales Between Family Members

RST is payable on taxable goods sold privately between family members, just as it is on goods sold between people who are not related. RST is payable on the fair value of the taxable goods. If payment is to be made by taking over the balance of a loan, RST is to be paid on the full amount of the balance at the time the loan is taken over.

Gifts, estate bequests, and other ownership transfers, except for motor vehicles, are not subject to RST ***if there is no payment of any kind involved***. For more information on how RST applies to used motor vehicles, refer to ***RST Guide 209 - Used Vehicle Information Program***.

More Information



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Online:

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Written Interpretation:

To obtain a written interpretation on a specific situation not addressed in this publication, please send your request in writing to:

Ministry of Revenue
Tax Advisory Services Branch
Retail Sales Tax Section
33 King Street West, 3rd Floor
Oshawa ON L1H 8H5

Cette publication est disponible en français en appelant le 1 866 ONT-TAXS (1 866 668-8297).