

Transaction Levy Info Sheet

2026/27 Fiscal Year



About the Transaction Levy

The VSA Board of Directors has approved a fixed \$10 transaction levy beginning on April 1, 2026. We would like to thank all industry members for providing valuable feedback during our consultation period. We will be sharing more information in the coming months to prepare dealers for implementation.

Frequently Asked Questions

Q. What is the transaction levy?

A. The transaction levy is a fixed \$10 charge on consumer vehicle transactions, including leases. It aligns with similar fees already in place in Alberta (\$10) and Ontario (\$22).

Q. When will the transaction levy start?

A. The transaction levy will commence on April 1, 2026.

Q. Why is the VSA implementing a transaction levy?

The VSA has been reviewing this approach for several years to diversify revenue sources, in response to operational needs and industry feedback.

Q. What the transaction levy revenue be used for?

A. Revenue from the VSA's transaction levy will support the VSA's mandate in four key areas: Develop and enhance consumer programs, industry programs, develop and enhance investigations of unlicensed activities, and general operational needs such as AI adoption, cybersecurity, IT automation of services, communications and awareness programs, responding to Government initiatives, and increasing capacity to manage increasing workloads and complexity of complaints.

Q. What happens to license fees?

A. License fees will remain in place. There will be no licensing fee increases in the 2026/27 Fiscal Year. Annually, the VSA Board of Directors will assess the resources needed to meet our government mandate and any need for fee increases.

Q. How do I remit the transaction levy to the VSA?

A. The levy will be remitted in a similar way that you remit your dealer license renewal fee. We will provide more detailed information once the processes and systems have been established.

Q. How often will the levy need to be remitted?

A. The VSA Board of Directors has approved a quarterly remittance for the transaction levy.

Q. Can the levy be passed on to consumers? How do I itemize it on a bill of sale or lease agreement?

A. Yes, the transaction levy can be passed along to consumers, and dealers who choose to pass the levy to consumers must itemize the recovery of this levy on the bill of sale or lease agreement, in accordance with BC legislative requirements. The required line item must read: "VSA Levy Recovery" on all consumer purchase agreements for motor vehicles.

Q. Is the transaction levy taxable?

A. This levy is taxable as it forms part of the vehicle's purchase price. You do not remit the tax to the VSA, but to the appropriate taxing authority.

Q. How do I itemize the transaction levy on a bill of sale or lease agreement?

A. Dealers who choose to pass the levy to consumers must itemize the recovery of this levy on the bill of sale or lease agreement, in accordance with BC legislative requirements. This levy is taxable as it forms part of the vehicle's purchase price. The required line item must read: "VSA Levy Recovery" on all consumer purchase agreements for motor vehicles.

Q. What about dealer management system changes?

A. The VSA has consulted with Michael Mason & Co. Ltd. regarding physical purchase agreements, and CDK Global, Reynolds & Reynolds, and Lightspeed regarding dealer management system updates. Dealers who use a dealer management system not listed above should reach out to their provider directly.

Q. Can a dealer mark up the transaction levy?

A. The transaction levy will be fixed at \$10, and cannot be increased or marked up by the dealer under any circumstances.

Q. Is the levy applied to all transactions?

A. The transaction levy applies only to sales that are both a "consumer transaction" and involving a "motor vehicle" as defined in the Motor Dealer Act and the Business Practices and Consumer Protection Act. This means the transaction levy does not apply to the sale of off-road motorcycles, ATVs, side-by-sides, lawnmowers, or other unregulated vehicles.

Q. Will the transaction levy be refunded by the Authority if the sale is reversed?

The transaction levy will not be refunded in the event the sale is reversed.

Q. Does the transaction levy have to be advertised?

A. Dealers who choose to pass the levy to consumers must advertise it as part of the total price of the vehicle in accordance with BC legislative requirements.

Q. Does the transaction levy have to be included in the vehicle price when calculating the APR on vehicle financing?

A. If the dealer is making the transaction levy a mandatory fee, then yes, the levy must be included in the vehicle price when calculating and advertising the APR on vehicle financing.

Q. Does the transaction levy have to be included in the vehicle price when calculating and advertising the provincial and federal luxury tax?

A. If the dealer is making the transaction levy a mandatory fee, then yes, the levy must be included when calculating and advertising the vehicle price for the purpose of the provincial and federal luxury tax.

Q. Are there any exceptions to when the transaction levy applies, such as wholesale or consignment sales?

A. Yes, the transaction levy does not apply to wholesale transactions, as these are considered business-to-business transactions. However, if a consignment sale is made to a consumer, the levy must be remitted.

Q. If asked, what do I tell consumers about the transaction levy?

A. The VSA plans on developing point of sale material in multiple languages that explains the transaction levy, and the material will include a QR code. The QR code will lead to a dedicated VSA webpage with multiple language options where the VSA will explain the transaction levy and how we will use the revenue.

Questions?

If you have any questions about the transaction levy (that are not answered in the FAQ above), please reach out to the VSA's Licensing department:

- Email: Licensing@vsabc.ca
- Phone: 604-575-7256
- Toll-free: 1-877-400-3529