

Information Notice
Retail Sales Tax Branch

January 2003

Rebate for Hybrid Electric Vehicles

About this Notice

This Notice explains the Retail Sales Tax (RST) rebate available for hybrid electric vehicles (HEVs).

Background

The 2001 Ontario Budget announced that certain hybrid electric passenger cars purchased or leased, and delivered on or after **May 10, 2001**, are eligible for the RST rebate for vehicles powered by alternative fuels.

The 2002 Ontario Budget announced that this RST rebate program is expanded to include hybrid electric multipurpose passenger vehicles and trucks purchased or leased, and delivered on or after **June 18, 2002**.

What is an HEV?

An HEV is a motor vehicle which combines the internal combustion engine of a conventional vehicle with the battery and motor of an electric vehicle.

Are all HEVs Eligible?

HEVs eligible for a rebate of RST are new motor vehicles that have:

- power from an electric motor and internal combustion engine,
- regenerative braking designed to recover the energy released while slowing down or stopping, **and**
- an energy storage system such as a battery, ultra capacitor or flywheel.

Leases must meet all the above requirements and the period of the lease must be for **twelve** months or more. Subject to the refund limit, rebate claims for leases may be filed:

- after the maximum amount of RST refundable has been paid,
- at the end of the lease contract, **or**
- at the end of each twelve-month period.

The RST rebate program does not include hybrid electric buses, vehicles converted to hybrid electric power after purchase, or conversion kits.

Rebate Claims

RST rebates for HEVs are limited to a maximum of \$1,000. [RST Guide 702 - Vehicles Powered By Alternative Fuels](#) contains a copy of the required rebate application form with detailed instructions. Rebate claims, along with supporting documentation, must be received by the Ministry of Finance within four years from when the RST was paid.

For More Information

For more information or to obtain **RST Guide 702**, please contact the nearest Ontario Ministry of Finance Tax Office listed under Taxes - Provincial (Retail) Sales Tax in the blue pages of your telephone directory, call our TAX FAX Service at 1-877-4-TAX-FAX (1-877-482-9329), or visit our Web site at www.trd.fin.gov.on.ca.