

## Publications: Books, Magazines, Periodicals and Newspapers

### *Social Service Tax Act*

This bulletin provides specific tax information to help publishers and promotional distributors understand how the social service tax, also called the provincial sales tax (PST), applies to the sale and distribution of publications. If you publish and print your own materials, you should also refer to [Bulletin SST 029, Printing, Publishing, and Related Industries](#).

For general PST information that applies to all businesses, such as who needs to register, when general exemptions apply, and how to charge and collect the PST, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#).

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The content in this bulletin has not been changed; it has been changed for format only.

## Taxing Publications

All publications are subject to PST unless the publication falls under a specific PST exemption.

If a publication falls under one of the specific exemptions (see the section below, Which Publications are not Taxable?), the publication is not taxable and you do not collect PST when you sell it.

If a publication does not fall under a specific exemption, it is taxable and PST must be collected and submitted (see the section below, Which Publications are Taxable?).

## Applying PST to Your Publication Costs

As a publisher, you do not pay PST on your publishing and printing costs for publications that you produce or purchase for resale.

If you give away a publication that is otherwise taxable, you must pay PST on your cost of the publication including the printing costs. This is considered to be a promotional distribution.

## Applying PST to Your Publication Sales

You must collect PST from your customers for publications that are taxable. You do not collect PST on publications that fall under a specific exemption.

You do not collect PST from a person you provide a publication to at no charge.

## Which Publications are not Taxable?

Books, magazines, periodicals and newspapers are not taxable provided they meet the requirements described below.

### **Books**

Books are not taxable if they are published solely for educational, technical, cultural or literary purposes. To qualify as non-taxable, a book must be bound, must have a distinct cover and must not contain advertising. A publication that is contained in a loose-leaf ringed binder may qualify as a book if it meets all other criteria.

## **Magazines and Periodicals**

These publications are not taxable if they are published at regular intervals each year, and if at least 10% of the content qualifies as technical, literary, editorial or pictorial information. This 10% qualifying content includes maps, charts, photographs, pictures and diagrams that are related to the qualifying content, as well as the masthead and title page. It does not include covers, indices, tables of contents, borders and duplicated or blank pages. The 10% qualifying content must not be aimed towards advertising or promotions.

## **Newspapers**

A newspaper is not taxable if it is produced at regular intervals each year, and if at least 20% of the content is composed of editorials, news and articles of local or common interest. The 20% qualifying content must not be aimed towards advertising or promotions. (Before December 18, 2003, at least 25% of the content was required to be qualifying content in order for the newspaper to be non-taxable.)

The following sections of a newspaper are specifically included as qualifying content:

- business market quotations
- comics, crosswords and puzzles
- horoscopes and television listings
- letters to the editor
- movie, theatre and other reviews
- sports scores
- weather forecasts

Also included in qualifying content are maps, charts, photographs, pictures and diagrams that are related to the qualifying content, as well as the masthead and title page. A public service listing of an event, activity or attraction that has been provided free-of-charge by the publisher (and over which the publisher has full editorial control) is considered qualifying content.

**Note:** Advertising flyers or circulars that accompany a newspaper are taxable.

## **Other Non-Taxable Publications**

Other publications that are not taxable include employee newsletters, employee magazines and student yearbooks.

## Combining Non-Taxable Publications with Taxable Items

If you sell a non-taxable publication with a taxable item for a single price, this is considered to be a bundled purchase and special rules apply.

For more information on bundled sales, please see [Bulletin SST 119](#), *Bundled Sales: Taxable and Non-Taxable Goods or Services Sold Together for a Single Price*.

Generally, you must collect PST from your customer on the fair market value of the taxable item. The fair market value is the price at which the taxable item is normally sold.

### Example

A music education studio sells educational books with a music CD inside. The CD is taxable while the book is non-taxable. The seller must collect PST from their customer on the fair market value of the CD.

## How to Calculate the Qualifying Content

To calculate the percentage of qualifying content (this is the 10% for magazines and periodicals, and the 20% for newspapers), you will need to do the following steps.

- Step 1 Measure (length x width) the total area of the publication pages, but do not include the covers, indices, tables of contents, borders and duplicated or blank pages.
- Step 2 Measure the total area of the qualifying content. Do not measure the advertising or promotional content.
- Step 3 Calculate the percentage of the qualifying content to the total area of the publication. To do this, divide the number you measured in Step 2, by the number you measured in Step 1, and multiply by 100.

$$\frac{\text{Area of qualifying content}}{\text{Total area of publication pages}} \times 100 = \%$$

This will give you a percentage to use as the qualifying content. If the qualifying content is 10% or more for magazines and periodicals, or 20% or more for newspapers, the publication is not taxable.

If you sell or give away a publication inside another publication, e.g., a flyer inside a newspaper, you must consider the content of each publication separately to determine if either qualifies as non-taxable.

## Example

If you insert advertising flyers inside a qualifying newspaper, you must pay PST on your purchase price or the production costs of the advertising flyers. The newspaper is not taxable.

## Which Publications are Taxable?

All publications are taxable if they do not fall under one of the specific exemptions noted above.

Publications that have the primary purpose of advertising the sale or lease of property or services are taxable.

The following are examples of publications that are taxable when sold.

|                    |                                     |
|--------------------|-------------------------------------|
| albums             | recreation calendars                |
| blueprints         | reports                             |
| brochures          | requests for proposals              |
| contracts          | specifications                      |
| course calendars   | sports calendars                    |
| date calendars     | student agendas                     |
| directories        | studies                             |
| insurance booklets | tenders                             |
| pamphlets          | theatre programmes                  |
| price lists        | timetables                          |
| programs           | union agreements                    |
| rate books         | catalogues and similar publications |

**Note:** The original master copy of a blueprint, contract, study, specification or tender is not taxable.

## How to Apply PST to Advertising or Promotional Materials

The publisher must pay the PST on advertising or promotional publications that are given away at no charge. In this case, the publisher is considered to be the user of the publication.

If you give away an advertising or promotional publication, you must pay PST on your publishing and printing costs of the publication.

If you sell the publication for a small charge that is less than your cost, you must collect

PST on the selling price. You must also pay PST on the difference between the selling price and your cost.

### **Example**

If you pay \$6 to produce a sales catalogue of your product and you sell the catalogue for \$2, you must collect PST from the purchaser on the \$2 sale (14¢ pst).

You must also remit PST on the remaining \$4 of the purchase price (28¢ pst).

Added together, you must remit 42¢ in PST for each catalogue.

If you sell the publication for more than the cost of your publication, you must collect PST from your customer on the selling price. You do not pay PST on your cost because, in this case, you have purchased the item for resale.



### **Need more info?**

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations are on our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/Provincial\\_Sales\\_Tax/legislation.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/legislation.htm)

References: *Social Service Tax Act*, Sections 1, 72(1)(a), 72(1)(b), 72(2) and 79, and Regulations 2.27, 2.28, 2.29 and 2.30