

Ministry of Finance

Tax Bulletin



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Bulletin SST 044

www.fin.gov.bc.ca/rev.htm

On July 1, 2010, the provincial sales tax (PST) was replaced with the harmonized sales tax (HST). However, the information in this bulletin may still be applicable if, under the transitional rules, PST applies. For information on the transitional rules, please see www.sbr.gov.bc.ca/business/Consumer_Taxes/Harmonized_Sales_Tax/hst.html

Registering to Collect Provincial Sales Tax (PST)

Social Service Tax Act

Do you sell or lease taxable goods or services?

Do you need to register as a vendor, and collect and remit PST?

This bulletin provides specific tax information to help businesses understand when and how to register with the ministry to collect and remit the social service tax, also called the provincial sales tax (PST).

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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When to Register

British Columbia Businesses

You are required to register with the ministry if you regularly do any of the following in British Columbia.

- Sell or lease taxable goods, for example:
 - alcoholic beverages (for more information, please see **Bulletin SST 094**, *Liquor Sellers*),
 - motor vehicles, automotive parts and supplies,
 - building materials,
 - flowers,
 - household or office furniture,
 - propane (including propane used in operating a motor vehicle), and
 - general merchandise, such as cosmetics, appliances, souvenirs, clothing and art supplies.
- Provide taxable services, for example:
 - repair or maintain taxable goods, such as automobiles, knives, watches, TVs, stereos, office equipment, furniture, cameras and computers,
 - apply protective treatments, such as fabric protection, rust proofing and paint to taxable goods,
 - set up, install or dismantle taxable goods, such as temporary display counters, shelves or booths at trade fairs and conventions, and
 - retouch, restore or re-colour taxable goods, such as photographs or furniture.
- Provide legal services.
- Provide telecommunication services.
- Sell taxable parking within the South Coast British Columbia transportation service region (includes Greater Vancouver).
- Act as a liquidator, receiver, receiver-manager or trustee, and dispose of assets as part of your business.
- Enter into real property contracts where your customer pays PST (for more information on real property contracts, please see **Bulletin SST 072**, *Real Property Contractors*).

For more information on what goods and services are taxable, please refer to the ministry's product, service or industry specific tax information bulletins available on our website.

Out-of-Province Businesses

If your business is located outside British Columbia and you sell goods to customers in British Columbia, you are only required to register if you meet **all** of the following four criteria.

1. You sell goods to customers in British Columbia.
2. You accept purchase orders (including by telephone, mail, e-mail or Internet) from customers located in British Columbia.
3. You deliver goods to a location in British Columbia. Delivery into British Columbia includes goods that you ship physically or electronically, even if you deliver the goods through a third party, such as a courier.
4. You solicit sales in British Columbia through advertising or other means, including mail, fax, newspaper or the Internet.

Please note: If you have a website that is accessible from anywhere in the world, you are not soliciting sales in British Columbia. However, if you have a website and also solicit sales in British Columbia by other means, such as promotional flyers or newspaper advertisements, you are soliciting sales in the province.

When Not to Register

You are not required to register with the ministry if you do not make taxable sales or leases. The following examples are circumstances when you do not need to register:

- you only sell non-taxable goods, such as food for human consumption or provide non-taxable services, such as dry cleaning or hair styling,
- you are a wholesaler and you do not make retail sales,
- you only occasionally sell taxable goods during the course of your business, or
- you occasionally sell personal goods through venues such as garage sales, flea markets or fund raising activities.

If you are not required to register, please see the section below, Requirements for Unregistered Businesses.

Optional Registration and Collection

You may qualify for optional registration and collection, and choose not to register and collect PST if:

- your gross annual sales of qualifying goods and services are \$10,000 or less,
- you do not regularly sell goods or services, or make leases from an established commercial premises, and
- you do not maintain an established business premises.

For more information, please see the April 2007 notice, *New Registration and Collection Threshold*, available on our website.

Registration

Registering

You can apply to register with the ministry by completing an *Application for Registration as a Vendor* form (FIN 418). This form is available from the ministry or any **Service BC Centre**. You will also find it available on our website.

You can submit your paper application by fax or mail.

If the ministry approves your application, you will be provided with:

- a letter advising you of your PST registration number and your tax return filing schedule (your *Certificate of Registration* will be attached to the bottom portion of the letter),
- bulletin publications specific to your business needs (if available), and
- the *Small Business Guide to Provincial Sales Tax (PST)* and *The Taxpayer Fairness and Service Code*.

You will also receive **Bulletin SST 032**, *Completing the Social Service Tax Return* with your first tax return form. Your tax return form will provide you with information on how to send in the PST you collect.

Please note: Registering to collect PST and having a *Certificate of Registration* does not take the place of a business licence. You apply for a business licence through your city, municipal or regional district, or the **OneStop Business Registry** in participating municipalities.

Requirements for Registered Vendors

Once you are registered with the ministry, you are required to:

- file your tax returns and remit PST collected on time,
- have your *Certificate of Registration* in a prominent place in your business location, or:
 - if you do not have a fixed business location in British Columbia, keep your *Certificate of Registration* with you at all times while doing business in the province, or
 - if you have an agent that makes sales for you and does not have a fixed business location, your agent is required to have a copy of your *Certificate of Registration* with them at all times while doing business in the province.

- contact the ministry if your *Certificate of Registration* is damaged or lost,
- notify the ministry and return your *Certificate of Registration* if you change your address, change the name or nature of your business, or stop operating your business, and
- notify the ministry if you change the legal structure of your business (e.g. sole proprietor to incorporation).

Requirements for Unregistered Businesses

If you sell an item to a customer and collect PST, you are required to remit the PST due by completing a *Casual Remittance Return For Provincial Sales Tax (PST) Due on Taxable Tangible Personal Property by a Seller Not Registered Under the Social Service Tax Act* form (**FIN 428S**).

If you purchase taxable goods from a supplier (including from an out-of-province supplier) and are not charged PST, you are required to remit the PST due by completing a *Casual Remittance Return For Provincial Sales Tax (PST) Due on Taxable Tangible Personal Property by a Purchaser Not Registered Under the Social Service Tax Act* form (**FIN 428P**).

You can get these forms online from the ministry website.

Send the completed form and payment to:

The Commissioner of Social Service Tax
Ministry of Finance
PO Box 9443, Stn Prov Govt
Victoria, BC V8W 9W7

Need more info?

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

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 available on our website.

References: *Social Service Tax Act*, Sections 1, 11, 92, 92.2 and 93, and Regulations 4.1-4.6, 4.8-4.10, 5.9 and 5.10