

Sales and Leases of Portable Buildings

Social Service Tax Act

This bulletin outlines the application of social service tax, also called the provincial sales tax (PST), to portable buildings.

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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What is a Portable Building?

A portable building is a building constructed like a conventional building, or made out of rigid building materials, that is designed to be moved as a whole building from location to location. Structures that must be dismantled into component parts to be relocated do not qualify as portable buildings. Examples of portable buildings include bunk houses, construction buildings, classrooms or offices.

The revision bar (|) identifies changes to the previous version of this bulletin dated January 2006.

Fabric Structures

Fabric structures are not portable buildings because they are not constructed like conventional buildings or made out of rigid materials.

Floating Buildings

A floating building may qualify as a portable building in certain circumstances. For more information, please see [Bulletin SST 031](#), *Houseboats and Other Floating Buildings*.

Portable Buildings Manufactured in the Province

Tax Payable by Manufacturer

Portable buildings manufactured in British Columbia are subject to PST on the cost of materials used to construct the building. This means that the manufacturer must pay PST on the purchase price of construction materials.

Exemption for Production Machinery and Equipment

As of July 31, 2001, a manufacturer of portable buildings may qualify for an exemption of PST on the purchase of certain production machinery and equipment used to manufacture the buildings. For more information, please see [Bulletin SST 054](#), *Manufacturers*.

Refund of Tax Paid on Exports

Manufacturers may apply for a refund of PST paid on materials used to construct portable buildings manufactured in British Columbia that are exported for use outside of the province. Claims for a refund of PST should be made on an *Application for Refund of Social Service Tax or Hotel Room Tax* form ([FIN 413](#)). This form is available from the ministry or a Service BC Centre and is available on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/forms.htm

Retail Sales or Leases

Sales or leases of portable buildings that meet the following conditions are exempt from PST:

- manufactured in British Columbia,
- not a tent or steel framed structure with fabric covering or any other structure that must be dismantled into component parts to be relocated,
- not a building designed for use on residential property, and
- not a manufactured home designed for, and used as, a family residence. For more information, please see [Bulletin SST 014](#), *Manufactured Homes for Residential Use*.

Fabric structures do not meet the definition of portable buildings, and their sales or leases are subject to PST.

However, a fabric structure may become an improvement to real property once installed, if it meets the following conditions.

The structure must be:

- large enough that it must be assembled at the location where it will be used, and cannot move from this location without being completely dismantled,
- substantially attached to the land by being securely bolted or anchored into the land, or attached to heavy concrete or similar blocks whose weight is needed for structural integrity, and
- intended, by its design, to remain at the location where installed for its useful life.

If a fabric (or similar) structure qualifies as an improvement to real property, whether the contractor pays PST or charges the customer PST depends on the contract between the contractor and the customer, and when the contract was entered into.

It is important to read [Bulletin SST 072](#), *Real Property Contractors*, for detailed information.

Portable Buildings Manufactured Outside the Province

Purchases from Registered Dealers

Out-of-province manufacturers or dealers who are registered as vendors in British Columbia may sell portable buildings to British Columbia residents exempt from PST, provided that the manufacturer or dealer remits PST on its cost of the unit.

Purchases from Non-Registered Dealers

Where portable buildings are purchased from an out-of-province dealer or manufacturer who is not a registered vendor and who has not remitted PST on its cost of the unit, the purchaser is required to pay PST on the purchase price of the portable building. This includes transportation charges and all other costs and expenses, other than the federal goods and services tax (GST), that are incurred prior to the use of the building in the province.

Subsequent retail sales or leases of such buildings are not subject to PST.

Taxable Services

Definition

A taxable service is any service provided to install, assemble, dismantle, repair, adjust, restore, recondition, refinish or maintain tangible personal property. PST applies to purchases of these services.

Exemption

Taxable services provided to portable buildings are specifically exempted from PST. Taxable services provided to various goods and appliances designed for household use, e.g., refrigerators, stoves, ovens, washers and dryers are also exempt from PST.

PST must be paid on taxable services provided to other furnishings and equipment of the portable buildings.

For more information, please see [Bulletin SST 018, Taxable Services](#).



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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

References: *Social Service Tax Act*, Sections 1, 5, 6, 76(1)(k) and 87, and Regulations 2.45, 2.46, 2.47 and 3.30