

Purchases and Sales by Memorial Parks, Memorial Dealers, Undertakers and Morticians

Social Service Tax Act

This bulletin provides specific tax information to help memorial parks, memorial dealers, undertakers and morticians understand how the social service tax, also called the provincial sales tax (PST), applies to their businesses.

While the term memorial park is used throughout the bulletin, these guidelines also apply to memorial dealers, undertakers and morticians.

As of July 31, 2001, a manufacturer of items that may be used or sold by memorial parks, such as caskets and urns, may qualify for an exemption of PST on the purchase of prescribed production machinery and equipment used to manufacture these items. For more information, please see [Bulletin SST 054, Manufacturers](#).

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.

Exempt Sales and Services

Mortuary and Funeral Services

When preparing the deceased for burial or cremation, and when arranging and managing a funeral, memorial parks are providing a service. Such services do not qualify as taxable services because they are considered to be services provided to the person of the individual, which are exempt.

However, as end users of the tangible personal property used in these services, memorial parks are required to pay PST on equipment and supplies consumed or furnished in connection with rendering their services. Such items include urns, coffins, caskets, concrete liners, cremation vaults, embalming fluids, memorial books, cards and flowers.

If any items purchased for use in providing services are subsequently resold to a customer without being used in performing the services described above, PST must be collected from the customer on the resale price. In this situation, memorial parks may apply to the ministry for a refund of the PST paid on their original purchase of the item.

Memorials Installed by Memorial Parks

PST does not apply to improvements to real property such as memorials furnished and set in place by memorial parks or cemeteries. This includes charges for the following:

- burial plots, concrete liners, vaults and materials that form part of a crypt,
- vases attached to crypts or markers or installed on graves,
- urns that are inserted in the memorial park or placed in a crypt,
- markers and the granite or cement used to affix markers, and
- plaques that are affixed to crypts and markers.

Memorial parks are required to pay PST on their purchase price of all material, equipment, and supplies used or consumed in installing the memorial.

Taxable Sales

Retail Sales of Tangible Personal Property

Unless specifically exempted under the *Social Service Tax Act*, PST must be collected on all sales of tangible personal property when the customer takes delivery of the product. For example, sales of flowers, urns, tombstones, markers, plaques and vases are subject

to PST. PST must be collected from the customer on the full sale price at the time the sale takes place. Memorial parks that regularly make taxable retail sales are required to register as vendors.

When the customer takes ownership of the items in this manner, purchases of these items by the memorial park are PST exempt, as the end user is responsible for the tax. Memorial parks may purchase items for retail sale exempt from PST by quoting their vendor registration number to their supplier. Where PST was paid by the memorial park on an item for their own use, but was subsequently sold at retail, the memorial park may apply to the ministry for a refund.

Tax on Items for Business Use

Purchases or Leases for Business Use

In addition to being required to pay PST on items used to perform their services as outlined above, memorial parks are required to pay PST on all equipment and supplies purchased or leased for their own business use. Such items include furnishings, stationary, advertising materials, catalogues and display cases.

If any of these items are acquired without payment of the PST, memorial parks are responsible for remitting the PST due on their purchase price. If the items are acquired from an out-of-province supplier, PST applies to the amount paid to the supplier to acquire the goods, and to charges for customs, excise, transportation or any other costs incurred prior to use in the province, but not to the federal goods and services tax.

Items Taken from Stock

If any items acquired as a vendor without payment of PST are subsequently taken out of stock for business use or for use in providing a service, memorial parks must self-assess the PST due on their purchase price and remit this amount with their next tax return.

Vendor Requirements

Registration as a Vendor

Memorial parks that engage in taxable retail sales are required to register as vendors.

Applications for registration under the *Social Service Tax Act* may be obtained from the ministry or any Service BC Centre. Upon receipt of a completed application, the ministry will assign a registration number and forward a *Certificate of Registration* and

related information to the applicant. Vendors can then obtain merchandise for resale without payment of PST by quoting their vendor registration number to their suppliers.

Memorial parks that do not normally make taxable retail sales are not required to register as vendors.

Vendor Reporting Procedures

The PST collected on sales to customers and due on purchases for use by memorial parks must be remitted on a regular basis. A tax-reporting period will be established by the ministry at the time of registration as a vendor.

Memorial parks that do not normally make taxable sales, and which are not registered as a vendor, are still required to collect and remit PST on their occasional taxable sales. This may be done using the *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**). These may be obtained from the ministry or any Service BC Centre. You may also download and print this form from our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/forms.htm

Records of all purchases and sales must be maintained for a period of five years. Records older than five years may be destroyed at your discretion. If you wish to destroy records at an earlier date, you must first obtain written authorization from the ministry.



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

References: *Social Service Tax Act*, Sections 4(1) and 76(1)(k), and Regulation 13(2)