

## Personal Services

### *Social Service Tax Act*

This bulletin provides specific tax information to help you understand how the social service tax, also called the provincial sales tax (PST), applies to individuals and businesses selling personal services.

Personal services include beauty, dental, health, medical and other similar types of services that are provided to an individual. For other types of services, please refer to the following bulletins.

- **Bulletin SST 018**, *Taxable Services*
- **Bulletin SST 061**, *Legal Services*
- **Bulletin SST 107**, *Telecommunications Industry*

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 \(PST\)](#).

### Table of Contents

Must I Register as a Vendor? .....	2
Do I Charge PST on my Sales? .....	2
Do I pay PST on my Purchases or Leases? .....	3
What Happens if I Change the way I use an Item? .....	3
Must I Keep Records?.....	4

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

## Must I Register as a Vendor?

If you only provide a personal service such as beauty, health, dental or other similar service to individuals, you do not need to register with the ministry as these services are non-taxable.

If you provide a personal service and also make taxable retail sales, you must register as a vendor with the ministry and send in the PST you charge on your sales. Your registration number allows you to buy or lease the items you sell or lease without paying PST.

For more information, please see [Bulletin SST 044](#), *Registering to Collect Provincial Sales Tax (PST)*.

If you do not qualify to register with the ministry, yet occasionally buy items to sell, you can use a *Certificate of Exemption* form ([FIN 453](#)) to buy these items without paying PST.

If you are not registered as a vendor, you must use the casual remittance form ([FIN 428](#)) to send in PST you charge on sales or self-assess on your purchases.

## Do I Charge PST on my Sales?

You do not charge PST on your sales of personal services.

You must charge PST on all other sales you make except for sales under the following conditions:

- the item is specifically exempt,
- the item will be re-sold by your customer, or
- you send the item out of the province.

When you sell an item that will be re-sold, you must record your customer's vendor registration number on your invoice to show why you did not charge PST.

For more information, please see [Bulletin SST 032](#), *Completing the Social Service Tax Return*.

If you sell a non-taxable service and a taxable item together for a single price, it is called a *bundled sale*. Generally, you charge PST on the value of the taxable item, but special rules apply.

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

## Do I pay PST on my Purchases or Leases?

You do not pay PST on items you purchase or lease for re-sale or re-lease to your customers. However, you will need to provide your supplier with your vendor registration number or a completed *Certificate of Exemption* ([FIN 453](#)).

PST applies to all equipment, furnishings, materials and office supplies you purchase or lease for use in your business. This means you pay PST on desks, cabinets, computers, chairs, cash registers, display cases, tools, instruments, x-ray films, stationery, cleaning supplies and other similar items you use.

As well, you pay PST on items you purchase to give to your customers, including advertising flyers, samples, calendars, toothbrushes, novelties and other similar types of promotional items.

For more information, please see [Bulletin SST 080](#), *Promotions and Special Offers*.

If a supplier does not charge PST on your purchases or leases, you must self-assess and send in PST on the total landed cost of items that are for business use. This is often the case when you buy items from out-of-province suppliers.

Total landed cost includes transport, handling, financing, customs and excise charges, but does not include GST.

For more information, please see [Bulletin SST 043](#), *Goods Purchased from Out-Of-Province Suppliers*.

## What Happens if I Change the way I use an Item?

If you provide a personal service and also make retail sales, you may sell items originally purchased for business use. Or, you may use items to provide a service that you originally purchased to sell.

The item's intended use at the time of purchase determines how PST applies. Therefore, adjustments are necessary when you use items differently from their intended use when purchased.

## Items Originally Purchased to Sell or Lease

If you purchase an item to sell and later use the item to provide a service, you must self-assess and send in PST on the total landed cost of the item.

For example, a hairdresser pays PST on shampoo purchased to wash hair as part of a haircut, but does not pay PST on shampoo purchased to sell to customers. If shampoo originally purchased to sell is used to wash hair instead, the hairdresser must self-assess and send in PST on the cost of the shampoo.

## Items Originally Purchased for Business Use

If you purchase an item for business use and later use the item in a retail sale, you must charge PST on the sale even though you paid PST at the time of your purchase.

You may qualify for a refund of PST you paid if you sell a **new, unused item** that you normally use to provide your service. This refund provision does not apply to sales of furnishings, equipment and maintenance materials purchased for business use. If you are a registered vendor, you may be able to make an internal adjustment on your *Social Service Tax Return* to recover the PST you paid instead of applying for a refund.

For example, a dentist pays PST on fluoride purchased for use as part of a dental service, but does not pay PST on fluoride purchased to sell. If the dentist sells a new container of fluoride originally purchased for business use, the dentist must charge PST on the fluoride. The dentist can apply for a refund of the amount of PST paid at the time the fluoride was purchased for business use.

For more information, please see [Bulletin GEN 008](#), *Refunds of Overpayments of Tax* and [Bulletin SST 032](#), *Completing the Social Service Tax Return*.

## Must I Keep Records?

You must keep records of all your purchases and sales for five years unless you have written authorization from the ministry to destroy them.

