

Building and Home Improvement Stores - Tax Facts

Are you a retailer of hardware, building and home improvement supplies? You need to know how British Columbia taxes apply to your business and where to find this information. For general sales tax information, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#). For specific tax information, we strongly recommend you use the resources listed below.

PST

Generally, sales of hardware, building supply and home improvement items are taxable. This means you charge your customers PST on these items. However, you do not charge PST on certain energy conservation materials and safety equipment.

You do not pay PST when you purchase items that you will resell to your customers, such as tools and building materials. However, you pay PST on most supplies and equipment that you use in your business, including goods you buy, rent or lease from outside the province.

When you supply and install improvements to real property, such as kitchen cabinets, roofing or flooring, you are considered to be a contractor. For contracts that you **enter into before October 1, 2008**, the way you structure your contract determines whether you pay PST or you charge your customer PST on the materials and equipment you supply and install to complete the contract. For contracts that you **enter into on, or after, October 1, 2008**, generally, you are required to pay PST. However, under certain circumstances, you charge your customer PST. If you are involved in real property contracts, it is important that you read [Bulletin SST 072, Real Property Contractors](#), for detailed information.

Most services you provide, such as sharpening saw blades, knives and tools, and repairing tools and equipment are taxable. This means you charge PST on these

services. You also pay PST on the supplies and equipment that you use to provide these services, unless they will be attached to, or incorporated into, the item you are servicing.

For more detailed PST information, please see:

➤ *Building and Home Improvement Stores* (**Bulletin SST 057**)



Need more info?

Building and Home Improvement Stores website:

www.sbr.gov.bc.ca/industry_specific/building_improvement/building.htm

Vancouver: 604 660-4524

Toll-free: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

Web: www.sbr.gov.bc.ca/business.html