

Manufacturers - Tax Facts

Are you a manufacturer? 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

As a manufacturer, you may qualify for a PST exemption when you purchase certain production machinery and equipment (PM&E). To qualify for the exemption, you must be involved in a qualifying manufacturing activity and meet minimum levels of sales or manufactured costs. The machinery and equipment must also be used primarily and directly in manufacturing, and used at an eligible manufacturing site.

Other goods used in your manufacturing process may also be exempt, such as raw materials you manufacture into the finished product, and containers, labels and packing materials. Although there are several exemptions available to manufacturers, unless the goods qualify for an exemption, you pay PST on the supplies and equipment that you purchase for use in your business, including goods you buy, rent or lease from outside the province.

When you sell your finished products, you do not charge PST on goods sold to wholesalers or retailers if they provide their PST registration number. However, you charge PST on goods sold directly to consumers.

For more detailed PST information, please see:

➤ *Manufacturers* ([Bulletin SST 054](#))

Motor Fuel Tax

Certain vehicles and equipment you use may be eligible to use lower-taxed coloured fuel. You may use coloured fuel in stationary or portable engines, such as generators; in equipment, such as forklifts; and in industrial machines when used off-highway, such as front-end loaders.

For more detailed motor fuel tax information, please see:

- Coloured Fuel Program website: www.sbr.gov.bc.ca/business/Consumer_Taxes/Motor_Fuel_Tax/key_fuel_programs/coloured_fuel_program.htm



Need more info?

Manufacturers website: www.sbr.gov.bc.ca/industry_specific/manufacturers/manufacturers.htm

PST and Motor Fuel Tax

Vancouver: 604 660-4524

Toll-free: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

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