



Provincial Sales Tax (PST) Bulletin

Bulletin PST 127

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Veterinarians and Pet Stores

Provincial Sales Tax Act

Latest Revision: This bulletin has been rewritten and replaces the previous version dated February 2016. For a summary of the key changes, see Latest Revision at the end of this document.

This bulletin provides information to help veterinarians, pet shop owners, kennel operators and breeders understand how PST applies to their businesses.

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Definitions

A **prescription** is a formula or direction given by a practitioner as a remedy or treatment for a disease or disorder.

Practitioner is defined under the Pharmacy Operations and Drug Scheduling Act and includes doctors, dentists, optometrists, persons authorized to practice veterinary medicine (e.g. veterinarians) and other health care professionals who are authorized to prescribe drugs or devices.

Sales and Leases of Goods

Unless a specific exemption applies (see Examples of Exempt Goods below), you must charge PST on the sale or lease of taxable goods, such as:

- Animals, including:
 - pets, such as dogs, cats, birds, fish, rabbits, reptiles and horses
 - animals sold or leased to circuses, zoos or hunting clubs
 - guard dogs
 - insects, including bees for beekeepers who are not qualifying farmers, and bait
- Food for animals, including:
 - pet food, including treats and live food (e.g. mice, insects)
 - specialty foods sold without a prescription
 - food obtained to feed wildlife
- Other goods, including:
 - bowls and dishes
 - kennels, cages and pet carriers
 - bandages, cones, non-medicated shampoos, flea control products sold without a prescription, collars, leashes, toys, clothing, costumes, brushes and other pet accessories
 - pet furniture, including scratching posts and beds
 - beekeeping equipment for persons who are not qualifying farmers
 - equipment for raising chickens for persons who are not qualifying farmers (e.g. backyard chickens), including coops
 - non-prescription drugs for animals and any associated administrative fee, other than certain drugs, medicines and substances used to treat animals in specific situations

When you sell taxable goods, you must charge PST on the total purchase price your customer pays, excluding the goods and services tax (GST). This includes pet adoption fees as these fees form part of the purchase price for taxable pets.

When you lease taxable goods, you must charge PST on the total lease price your customer (the lessee) pays on each lease payment, excluding GST.

If you make sales or leases of taxable goods in the ordinary course of business, you must register with us to collect and remit PST. For more information, see [Bulletin PST 001](#), Registering to Collect PST.

If you meet all the criteria as a small seller (for example, you do not maintain established commercial or business premises, including a home-based shop), you are not required to register with us to collect and remit PST (it is optional). Small sellers pay PST when purchasing products for resale and do not collect PST on sales. For more information, see [Bulletin PST 003](#), Small Sellers.

Examples of Exempt Goods

Listed below are examples of exempt goods commonly sold by veterinarians, pet stores, kennels, breeders and other businesses. This is not a complete list.

Animals

The following animals are exempt from PST:

- Animals, if the products of that animal ordinarily constitute food for human consumption, such as cows, sheep, chickens and pigs
- Certified guide and service dogs (defined in the Guide Dog and Service Dog Act) that are trained by an [accredited or recognized training school](#) or pass a public safety test, and are obtained by or on behalf of an individual with a disability for the individual's own use (purchases by doctors, hospitals or health authorities are taxable)

Food for Animals

The following food for animals is exempt from PST:

- Feed (including pet food) your customer obtains to feed any animal that is to be sold in the regular course of business or that ordinarily produces food for human consumption (e.g. livestock)
- Agricultural feed (e.g. grain, mill, hay) and seeds your customer obtains solely for an agricultural purpose, including feeding animals:
 - used to cultivate land (e.g. feeding farm horses),
 - reared to provide food, wool or other products, or
 - used to rear other animals that provide food, wool or other products (e.g. feeding ranch horses used to herd livestock)

Note: This exemption does not apply to agricultural feed and seeds obtained to feed wildlife, household pets, birds that do not ordinarily produce food for human consumption, or horses such as racehorses, equestrian horses or carriage horses that are not used in cultivating land or in providing food, wool or other products.

- Specialty food sold on prescription to treat, mitigate or prevent a disease or disorder (see Sales on Prescription below)

Drugs, Vaccines and Prescription Treatments

The following drugs, vaccines and other substances are exempt from PST:

- Drugs injected, applied or administered directly to an animal during veterinary services, and associated administrative fees
- Drugs and medicines, including salves, ointments, nasal sprays, inhalants, antiseptics, liniments, powders, germicides, laxatives, cough syrups, and cold and flu remedies, if they are:
 - advertised or marketed as products that treat, mitigate or prevent a disease or disorder in animals, **and**
 - obtained by your customer to treat an animal:
 - that is to be sold in the regular course of business, or
 - if the products of that animal ordinarily constitute food for human consumption
- Drugs and other substances that alleviate pain in animals (including drugs or substances applied externally), such as pain relief medications, including anaesthetics, analgesics and pain tablets, as well as burn remedies, liniments, ointments and other medications that clearly have a primary purpose of relieving pain

Note: Items whose primary purpose is something other than pain relief are not considered pain relievers and are taxable, unless a different exemption applies (e.g. when sold on prescription or administered directly to an animal during veterinary services). For example, the primary purpose of an antacid is to neutralize stomach acids, while pain relief is a secondary purpose.

- Drugs listed in Schedule I or IA of the [Drug Schedules Regulation](#)
- Vaccines listed in Schedule II of the [Drug Schedules Regulation](#) and vaccines that are veterinary drugs as defined under the Veterinary Drugs Act

Sales on Prescription

Drugs and other substances (including flea treatments and specialty food) that treat, mitigate or prevent a disease or disorder are exempt from PST when sold on **prescription**. Administrative fees associated with these sales are also exempt.

As a veterinarian, to show why PST was not collected on these sales, you must document the prescription on a prescription form or in your files. If you give the prescription verbally to an assistant, you must document that the item was sold at

your direction. If a veterinarian from another practice wrote the prescription, obtain a copy for your files. Electronic files and paper files are both acceptable, as long as the file shows a clear connection to a specific animal.

For each subsequent exempt sale of drugs or other substances (including flea treatments and specialty food) for the same animal, you must record a new prescription or document that the item was sold on the initial prescription.

Vitamins and Dietary Supplements

Vitamins and dietary supplements are exempt from PST if they are orally ingestible and obtained by your customer for the consumption of an animal:

- that is to be sold in the regular course of business, or
- if the products of that animal ordinarily constitute food for human consumption.

Other Exempt Goods

The following are exempt from PST:

- Artificial limbs and orthopaedic appliances (e.g. braces) for animals
- Goods resulting from a medical imaging procedure, including x-rays and ultrasound photos
- Qualifying books, such as training guides (see [Bulletin PST 205](#), Books, Magazines, Newspapers and Other Publications)

Sales and Leases to Farmers

Specifically listed items you sell or lease to qualifying farmers are exempt from PST when, at or before the time of the purchase or lease, they provide you with a Certificate of Exemption – Farmer ([FIN 458](#)) or a BC Farmer Identity Card issued to them by the BC Agriculture Council.

- If your customer provides a completed exemption certificate, you must keep the certificate as part of your records. You may make future tax-exempt sales and leases of specifically listed farm items to that customer based on that certificate, provided the information on the certificate is still correct. Your customer is required to complete a new exemption certificate if the information has changed.
- If your customer provides a valid BC Farmer Identity Card, you must either make a copy of the card or document the farmer's name, address, card number and expiry date for your records.

For more information on qualifying farmers, including the specifically listed exempt items for qualifying farmers, see [Bulletin PST 101](#), Farmers.

Services to Animals

Services to animals are exempt from PST, including:

- Boarding services

Note: If you provide boarding services, you do not charge PST for food provided to boarded animals as the food is not being “resold” to customers. However, unless another exemption applies (e.g. hay to feed farm horses), you must pay PST on the food because you are using the food in providing boarding services.

- Breeding services that do not include the sale of an animal (e.g. stud services)
- Dog walking services
- Grooming and cleaning services
- Training services
- Transportation or delivery of animals that do not include the sale of an animal
- Veterinary services

Veterinary Services

Application of PST to Goods Used by Veterinarians

Generally, veterinarians must pay PST on all goods they use in providing their services that do not become part of or attached to the animals receiving the veterinary services. This includes consumable supplies such as medicaments and other materials (e.g. IV bags, gauzes, sponges) veterinarians use in the course of providing veterinary services, unless a specific exemption applies.

Veterinarians are exempt from PST on goods that will become part of or attached to animals (e.g. horseshoes, pacemakers, pins) and on other goods that are resold to their customers.

Exempt Drugs, Vaccines and Prescription Treatments

Generally, veterinarians are exempt from PST on the drugs, vaccines and other substances listed in Drugs, Vaccines and Prescription Treatments above. This includes drugs injected, applied or administered directly to an animal during veterinary services.

Note: The exemption for drugs and other substances (including specialty food) sold on **prescription** (see Sales on Prescription above) only applies if the item is actually sold on prescription to the customer (e.g. by the veterinarian or by a pharmacy).

Charges to Customers

Veterinary services are exempt from PST. However, customers of veterinarians must pay PST on any goods that become part of or attached to the animals being serviced (e.g. horseshoes), unless a specific exemption applies (e.g. drugs injected, applied or administered directly by a veterinarian, or horseshoes purchased by a qualifying farmer solely for a farm purpose). This applies whether or not there is a separate charge to the customer.

If there is a separate charge to the customer, PST applies to the charge because the charge relates to the purchase of taxable goods. If there is not a separate charge, the bundled sale rules apply. For more information, see [Bulletin PST 316](#), Bundled Sales and Leases.

Purchases and Leases for Your Business

Taxable Goods

You must pay PST on the purchase or lease of new or used goods you use in your business, such as:

- Advertising materials, such as flyers and brochures
- Any taxable animal you buy for breeding purposes
- Cages, kennels and aquariums that are not solely for resale (e.g. aquariums you use to hold fish for sale)
- Computer hardware
- Energy for heat and light (except electricity)
- Equipment used to perform your services, such as laboratory equipment and surgical tools
- Food for the animals you use for breeding
- Food you provide to boarded animals (whether or not you separate the charge for the food from the charge for the boarding service), unless a specific exemption applies (e.g. hay to feed farm horses)
- Items you purchase to give away as free promotions
- Items you use or consume in your business (e.g. uniforms, antiseptics used for cleaning the clinic)

- Stationery, furniture and office equipment

You must also pay PST on the following.

- Software, unless a specific exemption applies (e.g. custom software). For more information, see [Bulletin PST 105](#), Software.
- Related services you purchase for your own equipment. For more information, see [Bulletin PST 301](#), Related Services.

If your supplier does not charge you PST on taxable items, you must self-assess (pay directly to us) the PST due on your next PST return. If you are not registered for PST, you must self-assess the PST due using a Casual Remittance Return ([FIN 405](#)) on or before the last day of the month following the month you obtained the taxable items. For example, if you purchase a taxable item in July, you must file the return and pay the PST no later than August 31.

Goods Brought Into B.C.

You must pay PST if you purchase or lease taxable goods or services outside B.C. and bring or send them into B.C. or receive them in B.C. You must pay PST on the total amount you pay to bring the goods into B.C., including charges for transportation, customs, excise and any other costs, except GST.

If your supplier does not charge you PST at the time of the sale or lease, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using the Casual Remittance Return ([FIN 405](#)) on or before the last day of the month following the month you brought or sent the goods into B.C. or received the goods in B.C.

For more information, see [Bulletin PST 310](#), Goods Brought Into B.C.

Temporary Use Formula

If you bring taxable goods (e.g. racehorses) into B.C. for temporary use only (6 days or more in a 12-month period), you pay PST using the temporary use formula. The days the goods are in B.C. may be consecutive or spread over a 12-month period.

The temporary use formula allows you to pay PST on 1/3 of the value of the goods for each 12-month period the goods are in B.C. Different rules apply if the goods being brought into B.C. are leased.

For more information, see [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use.

Promotional Materials

Promotional materials are goods you use, give away or sell below cost to help advertise or promote your business. Examples of promotional materials include samples, gifts, premiums and prizes, and goods given away as part of a loyalty or rewards points program.

You must pay PST on all taxable goods you purchase or make as promotional materials. For example, you must pay PST if you buy calendars or balloons you will give away to promote your business.

Promotional materials on which you must pay PST also include taxable goods you obtain to sell at a price below cost. For example, you purchase a dog cage at a cost of \$100 per cage. To promote greater sales, you offer the cage to preferred customers at a below cost price of \$95 per cage. Your customer pays PST on the \$95 purchase price of the cage. In addition, on your next PST return, you must self-assess PST based on the following formula:

$$(\text{Cost} - \text{Customer's purchase price}) \times \text{PST rate} = \text{PST to self-assess}$$
$$(\$100 - \$95) \times 7\% = \$0.35 \text{ PST to self-assess}$$

Note: You do not self-assess PST on goods sold below cost if you are not selling the goods below cost for promotional purposes. For example, you purchased dog cages at \$100 per item and attempted to sell them for \$200 per item. After some time, you decide to mark down the remaining dog cages to \$95 per item, because their value has decreased. In this case, your customer pays PST on the \$95 purchase price of the dog cage, but you do not self-assess any additional PST.

For more information, see [Bulletin PST 311](#), Promotional Materials and Special Offers.

Goods for Resale or Lease

You are exempt from PST on goods, including animals, you obtain solely for resale or lease to your customers.

To purchase or lease these goods exempt from PST, give the supplier your PST number or, if you do not have a PST number, a completed Certificate of Exemption – General ([FIN 490](#)).

If you make a purchase that includes both exempt goods for resale and taxable goods you will use in your business, tell your supplier which goods are exempt and

which goods are taxable. If they do not charge you PST on the taxable goods, you must self-assess the PST due.

For more information, see [Bulletin PST 208](#), Goods for Resale.

Note: Drugs obtained by veterinarians, to be injected, applied or administered directly to an animal during veterinary services, are not considered goods for resale but are still exempt from PST (see Exempt Drugs, Vaccines and Prescription Treatments above).

Change in Use

If you take taxable goods from your resale inventory for business or personal use, you must self-assess the PST due on your cost of the goods.

If you have a PST number, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a Casual Remittance Return ([FIN 405](#)) on or before the last day of the month following the month you used the goods for a taxable purpose.

If you take taxable goods from your lease inventory for business or personal use, you must self-assess PST as explained in [Bulletin PST 315](#), Rentals and Leases of Goods.

Bonus Items

You may provide goods as bonus items with the purchase of other goods or services. For example, you may give your customer a bonus item when they purchase at least \$50 worth of animal food. For the purposes of PST, these transactions are sales of both items.

If all of the goods or services (purchased and provided as a bonus) are taxable (e.g. a pet toy provided with a purchase of taxable pet food), you charge PST on the purchase price paid. You can purchase the bonus items exempt from PST as goods for resale.

If the transaction is for both taxable and non-taxable goods or services for a single price (e.g. taxable pet food and dog training, which is non-taxable), you are making a bundled sale. The general rule for charging PST on a bundled sale is that you charge PST only on the fair market value of the taxable portion. The fair market value is the retail price a good or service would normally sell for in the open market.

For more information, see [Bulletin PST 316](#), Bundled Sales and Leases.

Exempt Promotional Distribution

Drugs and other substances for the treatment, mitigation or prevention of a disease or disorder (e.g. prescription drug samples) are exempt from PST when provided by a pharmaceutical company to a practitioner as promotional distribution.

Other Exemptions

You do not pay PST on the following items:

- Antiseptics and germicides used to protect the veterinarian or the staff, and first aid supplies used to protect the veterinarian or the staff (see [Bulletin PST 207](#), Medical Supplies and Equipment)
- Food you purchase for any animal that is sold in the regular course of your business, either as a pet store owner or a breeder
- Rubber or synthetic gloves, and oxygen containers and oxygen dispensing apparatus purchased for medical or emergency use (see [Bulletin PST 100](#), Safety Equipment and Protective Clothing)

Containers and Packaging Materials

You are exempt from PST on containers and packaging materials (except reusable containers) you obtain solely for packaging goods for sale or lease, or if you provide them to your customers with their purchases of goods. However, you must pay PST on containers and packaging materials if you use them for other purposes, such as storing, handling or shipping goods, or you use them to provide a service.

Generally, you are not required to charge PST on the containers and packaging materials you provide with goods and services, unless you separately charge your customers for them. However, in limited circumstances, you may be required to charge PST on the fair market value of the containers and packaging materials.

For more information, see [Bulletin PST 305](#), Containers and Packaging Materials.



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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

December 2023

- Added information about how PST applies to certified guide and service dogs
 - Clarified how PST applies to food for animals, including food for boarded animals
 - Corrected information to reflect that drugs injected, applied or administered directly to an animal during veterinary services are exempt from PST
 - Specified that administrative fees associated with sales of drugs and other substances on prescription, or with drugs injected, applied or administered directly to an animal during veterinary services, are exempt from PST
 - Clarified that for drugs or other substances (including specialty food) sold on prescription, subsequent exempt sales for the same animal require either a new prescription or documenting that the item was sold on the initial prescription
 - Clarified that electricity is exempt from PST for all purchasers, effective April 1, 2019
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References: Provincial Sales Tax Act, sections 1 “related service”, “small seller”, “use”, 16-18, 26, 49, 51, 81, 89, 91, 119, 137, 140.1, 141, 145, 146, 152 and 179; Provincial Sales Tax Exemption and Refund Regulation, sections 1 “practitioner”, “prescription”, 3, 4, 16, 32-35, 44-46 and 73.