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## Administrative Materials

*Provincial Sales Tax Act*

This bulletin explains how the provincial sales tax (PST) applies to administrative materials.

### Table of Contents

Administrative Materials.....	1
Administrative Materials Delivered Within BC.....	1
Administrative Materials Sent Into BC .....	2
Administrative Materials Shipped Out of BC .....	2
Charges to Customers for Invoices.....	4

### Administrative Materials

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For the purposes of the PST, administrative materials are documents that are sent to customers to provide information, as well as documents that are sent in bulk to business representatives for their use or for distribution to customers. Examples include envelopes, invoices, statements, purchase orders, deposit slips, financial reports, prospectuses and annual reports.

There are no specific PST exemptions for businesses for the administrative materials they provide. Whether or not administrative materials are taxable in BC depends on where the materials are purchased and where the use of the materials occurs.

### Administrative Materials Delivered Within BC

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PST applies to taxable goods that are purchased in BC for business use. Therefore, if you are a business and **purchase** administrative materials in BC, you must pay PST on your purchase price for those materials. Also, if you **produce** administrative materials in BC for your own use, you must pay PST on the goods that you use to produce those materials (e.g. paper, envelopes and toner).

You must pay PST on these items regardless of whether you will send some or all of the administrative materials out of BC (e.g. to your out-of-province customers). However, you may be eligible for a refund for the materials that are shipped out of BC (see the section below, Refund for Goods Shipped Out of BC).

## **Administrative Materials Sent Into BC**

PST applies to taxable goods that are sent into BC for business use.

If you carry on business in, or intend to carry on business in, BC and purchase or produce your own administrative materials outside of BC and then send those materials into BC, either to individual customers or to a representative or business branch, PST applies to the total of:

- the costs and expenses for materials (e.g. paper, envelopes and toner), labour and other manufacturing and processing costs and expenses you incurred to purchase or produce the administrative materials, and
- service, customs, excise and transportation (e.g. shipping) costs you incurred prior to the use of the administrative materials in BC.

If you are a business and purchase your own administrative materials outside of BC from a third party, and that third party sends the administrative materials into BC on your behalf, PST applies to the total amount you pay the third party.

### **Self-Assessing the PST**

If you have a PST number, you must self-assess the PST due for the reporting period during which the administrative materials were sent into BC.

If you do not have a PST number, you must self-assess the PST due on or before the last day of the month following the month the administrative materials were sent into BC by using a *Casual Remittance Return* ([FIN 405](#)).

### **Promotional Materials**

Promotional materials are also taxable. Therefore, if you send promotional materials into BC together with administrative materials, PST applies to both the promotional materials and the administrative materials as outlined above.

For more information on promotional materials, please see [Bulletin PST 311](#), *Promotional Materials*.

## **Administrative Materials Shipped Out of BC**

### **Administrative Materials Shipped Out of BC by Third Parties**

If you are a business and purchase administrative materials inside BC from a third party, PST applies as follows:

- If the third party ships the materials to an out-of-province location (either directly to individuals or in bulk), the materials are exempt from PST.
- If the third party ships the materials to your business in BC, PST applies to the materials. However, you may be eligible for the refund described below.

## Refund for Goods Shipped Out of BC

If you paid PST on the purchase of administrative materials (or other goods) for business use outside of BC, you may be eligible for a refund of PST if:

- the administrative materials or other goods were shipped out of BC for use outside BC, and
- no use of the administrative materials or other goods was made while they were in BC, other than to store and ship the materials or goods out of BC.

**Please note:** This refund does not apply to goods that you used to produce your own administrative materials, such as paper, envelopes and toner. By using these goods, the second requirement of the refund has not been met.

To apply for a refund for administrative materials, complete an *Application for Refund – General (FIN 355)* and provide the supporting documentation listed in the instructions to the form, as well as:

- a detailed schedule for each shipment of materials that includes:
  - the refund claim amount,
  - the type of materials (e.g. financial reports) that were shipped out of BC,
  - the method by which you shipped the materials,
  - the date you shipped the materials out of BC,
- a copy of your purchase invoices (for the administrative materials), and
- evidence that shows you shipped the materials out of BC (e.g. bills of lading, accounting records, mailing lists and corresponding receipts for shipping costs).

We may request additional documentation when processing your refund claim.

**Please note:** If the goods shipped out of BC were promotional materials, to be eligible for a refund, the goods must have been shipped **in bulk** to a person for that person's use or consumption outside BC. No refund applies if the promotional materials were shipped to individual customers. However, if the promotional materials were shipped in envelopes together with administrative materials, the PST paid on the envelopes and the administrative materials are eligible for this refund.

For more information on promotional materials, please see [Bulletin PST 311](#), *Promotional Materials*.

## Tax Payment Agreements

If your business often claims refunds for PST paid on the purchase of administrative materials or other goods for business use outside of BC, you may be eligible to apply to enter into a voluntary tax payment agreement (TPA) with the Ministry of Finance.

A TPA allows eligible businesses to purchase certain items for business use without paying PST at the point of sale, and to self-assess and remit the PST due on any items later used for a taxable purpose.

For more information, please see [Bulletin PST 317](#), *Tax Payment Agreements*.

## **Charges to Customers for Invoices**

You do not charge PST when you charge your customer a fee (e.g. \$2 per month) to receive a paper copy of their bill or invoice even if PST applies to part or all of the items purchased by your customer.

**Please note:** Even though you charge your customer a fee to receive a paper copy of their invoice, you are not eligible for a PST exemption for these administrative materials because you are not obtaining the materials solely for resale.



### **Need more info?**

Online: [gov.bc.ca/PST](http://gov.bc.ca/PST)

Toll free in Canada: 1 877 388-4440

Email: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

Access our forms, publications, legislation and regulations online at [gov.bc.ca/PST](http://gov.bc.ca/PST) (go to **Forms** or **Publications**).

Subscribe to our **What's New** page to receive email updates when new PST information is available.

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

References: *Provincial Sales Tax Act*, sections 1 “promotional distribution”, “promotional distributor”, “sale”, “use”, 9, 10, 29, 32, 37, 49 and 158; Provincial Sales Tax Exemption and Refund Regulation, section 26; Provincial Sales Tax Regulation, sections 12-14.