



Provincial Sales Tax (PST) Bulletin

Bulletin PST 128

Issued: July 2013

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Nurseries and Garden Stores

Provincial Sales Tax Act

Latest Revision: The revision bar (|) identifies changes to the previous version of this bulletin dated February 2016. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin provides information to help nurseries and garden stores understand how PST applies to their businesses.

If you also sell flowers, see [Bulletin PST 129](#), Florists.

Table of Contents

Examples of Exempt Items	1
Examples of Taxable Items	5
Landscape Design and Consulting Services	8
Real Property Contractors	8
Purchases and Leases for Your Business.....	9
Refunds to Customers	12

Examples of Exempt Items

Listed below are examples of exempt items commonly sold in nurseries and garden stores. This is not a complete list. Products not on this list may be taxable and may be found on the Taxable List below. If an item is not on either list and you are unsure how PST applies, please contact us.

Bulbs, Plants and Seeds

The following items are exempt from PST:

- Bulbs that produce food for human consumption, including onion, garlic and shallot bulbs
- Christmas trees – natural, cut evergreen trees sold as Christmas trees, including plantation-grown evergreens sold as Christmas trees
- Living plants and trees that produce food for human consumption, including:
 - berry plants that produce edible berries
 - culinary herbs
 - fruit trees, but not indoor fruit trees sold as decorative plants
 - vegetable plants
- Seeds – when obtained solely for an agricultural purpose (i.e. to grow or cultivate), including vegetable plant seeds, flower seeds, herb seeds and grass seed (for information about seeds obtained as feed, see Feeds below)

Feeds

The following items are exempt from PST:

- Feed – when obtained 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 – when obtained 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.

Fertilizers, Fertilizer Mixtures and Other Substances

For the purposes of PST, **fertilizer** is a substance or mixture of substances that contains nitrogen, phosphorus, potassium or other plant nutrients (such as calcium, magnesium and sulphur) and is substantially advertised or marketed as a plant food.

A substance or mixture of substances is **not** fertilizer if it:

- contains 50% or more (by volume) of sand, gravel, topsoil, fill, weed control chemicals, fungicides or any substance that is not a plant nutrient, or a combination of these items, or
- is registered under the Pest Control Products Act (Canada).

Fertilizer is exempt from PST when purchased by an individual or purchased for an agricultural purpose. If you sell soil or garden mixes, you may or may not have to charge PST depending on whether the mixture qualifies as fertilizer.

If a substance or mixture of substances contains any amount of a weed control chemical, fungicide or other substance that is registered under the Pest Control Products Act (Canada), the product is taxable even if the product is called topsoil or garden soil.

When you sell a soil or garden mixture, fertilizer tablet, manure, compost, soil stimulant or similar product without charging PST, you must ensure the product qualifies as fertilizer for the purposes of PST. You must keep documentation showing the product qualifies as fertilizer, even if the product is sold in bulk and contains no packaging or labelling. If the content of the product is not marked on the package and your supplier has no documentation showing the content of the product, you must collect PST on your sales of the product.

Other Exempt Substances

The following substances are exempt from PST when obtained by an individual or for an agricultural purpose:

- Agricultural lime
- Organic mulch
- Organic substances, if advertised or marketed as compost aids or compost accelerators
- Peat
- Plant hormones, microorganisms and enzymes, or a mixture of plant hormones, microorganisms and enzymes, if advertised or marketed as a plant regulator
- Sphagnum
- The following growing mediums:
 - compostable basket liners and growing mats made only from organic materials
 - compostable pots made only from organic materials

- diatomaceous earth
- humus
- orchid bark
- peat pellets
- perlite
- potting soil and soilless potting mix, unless the soil or mix:
 - contains 50% or more (by volume) of sand, gravel, topsoil, fill, weed control chemicals, fungicides or any combination of these items, or
 - is registered under the Pest Control Products Act (Canada)
- vermiculite
- Wood ash or charcoal, if advertised or marketed as a soil amendment

Landscaping Products

The following products are exempt from PST when obtained for use in landscaping or as bedding for animals:

- Sawdust
- Straw
- Wood chips, including bark chips
- Wood shavings, including bark mulch

Publications

The following publications are exempt from PST:

- Books that are printed and bound, including garden books (does not include catalogues, price lists, directories, albums or calendars)
- Qualifying magazines, newspapers and periodicals

For more information, see [Bulletin PST 205](#), Books, Magazines, Newspapers and Other Publications.

Other Exempt Items

The following items are exempt from PST:

- Children's clothing and footwear (e.g. garden gloves, rain boots)
- Remembrance Day poppies and wreaths

Note: Aprons and smocks designed for children are taxable. For more information on what qualifies as exempt clothing and footwear for children, including

adult-sized clothing obtained for children under 15 years old, see [Bulletin PST 201](#), Children's Clothing and Footwear.

Gift Cards and Gift Certificates

You do not charge PST on a purchase of gift cards or gift certificates because it is a purchase of store credit a customer may redeem later. When a customer redeems the credit, PST applies to the purchase as if the credit were cash. PST will apply if the item purchased is subject to PST.

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.

Examples of Taxable Items

This is a list of taxable items commonly sold in nurseries and garden stores. This is not a complete list. Items not on this list may be found on the Exempt List above. If an item is not on either list and you are unsure how PST applies, please contact us.

- Agricultural feed (e.g. grain, mill, hay) and seeds – when 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

- Baskets (e.g. hanging, ornamental – see the Exempt List for compostable basket liners and compostable pots made only from organic materials)
- Bedding plants – ornamental (see the Exempt List for herbal or vegetable bedding plants)
- Bird seed (e.g. wild) – see Agricultural feed and seeds
- Cactus sand
- Cards – greeting, postcards
- Catalogues (e.g. seed, plant catalogues)
- CDs – audio, including audio books
- Christmas trees – artificial
- Compost mixes, garden mixes and soil mixes – containing:
 - 50% or more (by volume) of sand, gravel, topsoil, fill, weed control chemicals, fungicides or any substance that is not a plant nutrient, or any combination of these items, or
 - a substance or a mixture of substances that is registered under the Pest Control Products Act (Canada)
- Crushed rock
- Disinfectants
- DVDs (e.g. how-to videos)
- Flowers – fresh cut, dried, artificial, pods
- Fungicides
- Garden accessories (e.g. hoses, sprinklers, stakes, stones, tools, watering cans, wheelbarrows, knee pads, aprons, and garden gloves for adults – see the Exempt List for garden gloves for children)
- Garden mixes – see Compost mixes
- Gift tags
- Gifts and seasonal items (e.g. ornaments, balloons)
- Grafting paint (e.g. tree grafting paint)
- Gravel
- Hay – when obtained for a non-agricultural purpose or by a qualifying farmer for a non-farm purpose (also see Agricultural feed and seeds)
- Herbicides
- Hoses
- House plants
- Hydroponic equipment

- Insect control products
- Insecticides
- Insects (i.e. beneficial insects) or other predators and parasites (e.g. nematodes to control aphids)
- Molluscicides
- Moss killer
- Ornamental rock
- Ornamental trees, shrubs, plants and hanging baskets
- Paint for tree grafting
- Pest control products (e.g. control of rodents, traps)
- Pesticides
- Pet repellents
- Pipe (e.g. PVC)
- Plant shine
- Planter boxes, pots and concrete planters
- Plants – garden, ornamental, house plants that do not provide food for humans
- Pots – see the Exempt List for compostable pots made only from organic materials
- Publications – price lists, directories, catalogues, calendars
- Repellents – pet
- Rock – ornamental, crushed
- Rockwool
- Sand (e.g. cactus sand)
- Seasonal gift items (e.g. cards, decorations)
- Shrubs – ornamental
- Silica
- Slug bait
- Sod (turf)
- Soil mixes – see Compost mixes
- Sprinklers
- Stakes (e.g. garden, tomato)
- Stones (e.g. garden, ornamental)
- Tomato cages
- Tools – garden

- Topsoil
- Tree grafting paint
- Trees – ornamental
- Turf (sod)
- Watering cans
- Weed control products and weed control chemicals
- Wheelbarrows

Landscape Design and Consulting Services

Landscape design and consulting services are not subject to PST if they are not related to the sale of tangible goods. This includes fees for design or consulting services, creating a garden design or advising on flower plantings.

If, under a contract for design services, you provide an original landscape design to your customer on paper, CD, DVD or other storage medium, you do not charge PST because the item provided to your customer is considered incidental to the provision of the non-taxable design service, provided that:

- you include the paper, CD, DVD or storage medium at no charge as part of your services (i.e. you do not charge a separate or additional charge for the paper, CD, DVD or storage medium), and
- the total amount your customer pays is the same as, or only marginally different from, the total amount your customer would have paid if they had not received the paper, CD, DVD or storage medium.

You also do not charge PST if you provide your customer with an original landscape design electronically (e.g. over the internet, including by email or download).

Real Property Contractors

You are a real property contractor if you supply and affix, or install, goods that become part of real property (e.g. you construct a greenhouse or garden shed, build a garden, install paving stones or plant a cedar hedge). Real property contractors must pay PST on taxable goods they obtain to fulfil a contract, unless a specific exemption applies. When a contractor pays PST, they do not charge their customers PST.

For more information, see [Bulletin PST 501](#), Real Property Contractors.

Purchases and Leases for Your Business

Taxable Goods

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

- Advertising materials, such as flyers and brochures
- Energy for heat and light (except electricity)
- Items you purchase to give away as free promotions (see below)
- Items you use or consume in your business (e.g. cash register tapes, letterhead, toner, cleaning supplies, miticides, disinfectants, oil, grease)
- Machinery, tools and equipment (e.g. pressure washers, saws, mixing buckets, trucks, golf carts, ATVs, fertilizer injectors)
- Parts for your tools and equipment
- Shelving, storage racks, display cases, pallet jacks
- Stationery, furniture, office equipment, computer hardware
- Tools you use to provide services (e.g. wrenches, hammers or other tools you use to assemble greenhouses for your customers)

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, such as repairs to your office 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 yet 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 for Resale or Lease

You are exempt from PST on goods 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 have not yet received your 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.

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.

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.

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 the goods and services tax (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.

Bonus Items

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

If all of the items (purchased and provided as a bonus) are taxable goods (e.g. a plant pot provided with a purchase of ornamental plants), 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 for a single price (e.g. a taxable planter box and non-taxable herb seedlings), 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.

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 leaf rake at a cost of \$15 per rake. To promote greater sales, you offer the rake to preferred customers at a below cost price of \$12 per rake. Your customer pays PST on the

\$12 purchase price of the rake. In addition, on your next PST return, you must self-assess PST based on the following formula:

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

$(\$15 - \$12) \times 7\% = \$0.21 \text{ PST to self-assess}$

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 potted orchid plants at \$25 per item and attempted to sell them for \$50 per item. After some time, you decide to mark down the remaining orchid plants to \$20 per item before the winter season or because their value has decreased. In this case, your customer pays PST on the \$20 purchase price of the orchid plant, but you do not self-assess any additional PST.

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

Refunds to Customers

As a collector, you may refund or credit your customers PST you charged and/or collected from them in certain circumstances. For more information, see [Bulletin PST 400](#), PST Refunds.



Need more info?

Online: gov.bc.ca/pst

Toll free: 1-877-388-4440

Email: CTBTaxQuestions@gov.bc.ca

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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

August 2023

- Clarified how PST applies to: agricultural feed and seeds; compost mixes, garden mixes and soil mixes; predators and parasites
 - Clarified that electricity is exempt from PST for all purchasers, effective April 1, 2019
 - Added information about purchasing exempt and taxable goods together
 - Clarified how PST applies to goods removed from lease inventory
 - Clarified information about goods brought into B.C.
 - Other minor revisions
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References: Provincial Sales Tax Act, sections 1 “non-taxable component”, “promotional distribution”, “promotional material”, “taxable component”, 16, 26, 81, 137, 140.1, 141, 145, 147, 148 and 153; Provincial Sales Tax Exemption and Refund Regulation, sections 9, 15-18, 44-47 and 51; Provincial Sales Tax Regulation, section 7.