



Provincial Sales Tax (PST) Bulletin

Bulletin PST 500

Issued: March 2014
Revised: October 2015

PST Overview for Real Property Contractors

Provincial Sales Tax Act

Latest Revision: The revision bar (|) identifies changes to the previous version of this bulletin dated March 2014. For a summary of the changes, see Latest Revision at the end of this document.

The following is a general overview of the requirements for real property contractors to pay PST.

Who is a Contractor?

You are a contractor if you supply and affix, or install, goods that become part of real property. This includes contractors and subcontractors in the construction industry, and businesses that:

- supply goods with installation services if the goods become part of real property upon installation
- supply goods as part of providing a service to real property where the goods become part of real property during that service (e.g. painters, landscapers)

The following are examples of contractors:

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|---------------------------------|---------------------------|
| ▪ Bricklayers | ▪ Kitchen installers |
| ▪ Cabinet installers | ▪ Landscapers |
| ▪ Carpenters | ▪ Locksmiths |
| ▪ Carpet layers | ▪ Masonry contractors |
| ▪ Drywallers | ▪ Mechanical contractors |
| ▪ Excavators | ▪ Painters |
| ▪ Electricians | ▪ Pavers |
| ▪ Fence builders | ▪ Plumbers |
| ▪ Foundation contractors | ▪ Roofers |
| ▪ Framing contractors | ▪ Sheet metal contractors |
| ▪ Glass and glazing contractors | ▪ Siding contractors |
| ▪ Heating system installers | ▪ Sundeck builders |
| ▪ Home builders | ▪ Window installers |

Paying PST

You must pay PST on taxable goods you obtain to fulfil a contract, unless a specific exemption applies. You do not charge your customers PST.

A **contract** means an agreement under which goods are supplied and affixed, or installed, so that they become part of real property (e.g. land and buildings).

You pay PST because you are the user of the goods used to fulfil the contract. You are not selling those goods to your customer and are not eligible for the PST exemption for goods obtained for resale.

You must pay PST regardless of whether your contract is a time and materials contract or a lump sum contract.

Exceptions: You are exempt from PST on goods you use to fulfil a contract if the contract is with certain persons who are exempt from PST. You may also be exempt if you have an agreement that states your customer agrees to pay the PST on the goods and that agreement meets specific conditions.

For detailed information on these exceptions, how PST applies to goods obtained by contractors, and a definition of real property, see [Bulletin PST 501](#), *Real Property Contractors*.



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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

October 2015

- Clarified that specific conditions must be met for contractors to be exempt from paying PST on goods acquired to fulfill contracts.
 - Other minor revisions.
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