



# Provincial Sales Tax (PST) Bulletin

Bulletin PST 126

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## Photographers, Videographers and Photofinishers

### Provincial Sales Tax Act

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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.

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This bulletin provides information to help photographers, videographers and photofinishers understand how PST applies to their businesses.

### Table of Contents

Photographers.....	1
Videographers .....	5
Photography and Videography Classes .....	6
Photofinishers .....	7
Purchases and Leases for Your Business.....	8
Production Machinery and Equipment Exemption.....	11

## Photographers

### **Sales and Leases of Tangible Goods**

You must charge PST on the total amount you charge your customer for tangible goods (i.e. items you provide in a physical form), such as:

- Canvas prints
- Digital photos on a storage medium (e.g. USB drive, memory card, CD, DVD)
- Film

- Negatives
- Photo albums
- Photo books
- Photo paper, matting and frames
- Printed photos (e.g. portraits)

## **Photography Services**

You do not charge PST on photography services (e.g. sitting fees or similar fees at a studio or off-site) if your customer does not purchase **any** tangible goods. However, if your customer also purchases tangible goods, PST may apply as set out below.

### **Tangible Goods Provided as a Result of Photography Services**

If you provide photography services and, as a result of those services, you sell or lease tangible goods to your customer, you must charge PST as outlined below.

#### **Tangible Goods are Optional**

If your customer has the option of whether to purchase or lease tangible goods, you must only charge PST on the tangible goods you sell and not on the photography services. This is because the photography services do not form part of the purchase price or lease price of the tangible goods as your customer is under no obligation to purchase or lease the goods.

#### **Example 1:**

You take photos in a studio for a sitting fee of \$25 and provide your customer with the option to purchase printed photos. In this case, you must charge PST on the total charge for any printed photos you sell. You do not charge PST on the sitting fee.

#### **Example 2:**

You take school photos of students at no charge and provide an order sheet to parents with the option to order printed photos. In this case, you must charge PST on the total charge for any printed photos you sell.

#### **Example 3:**

You enter into a contract with your customer to take photos at their wedding and edit some or all of the digital photos. As part of the contract, you provide your customer with the right to download, view or access the digital photos over the internet, including by email, FTP, download or other means. You also provide your

customer with the option of receiving the digital photos on a storage medium (e.g. USB drive, memory card, CD, DVD) for an additional charge. In this case, you must charge PST on the additional charge for the storage medium you sell. You do not charge PST on the photography services or the right to download, view or access digital photos because these are not tangible goods.

### **Tangible Goods are Not Optional**

If the charge for the photography services includes tangible goods that are not optional, PST applies to the entire charge, including sitting fees, professional fees, service fees and travel expenses. This is because the photography services form part of the total amount your customer must pay to purchase or lease the tangible goods.

#### **Example:**

You take photos in a studio for a sitting fee of \$50. As part of the contract, you provide your customer with 5 prints. Because the prints are not optional, you must charge PST on the entire charge.

The rules provided above apply whether you sell or lease any of the following tangible goods as a result of your photography services:

- Printed photos, photo albums, portraits or other goods, including sales or leases of these items with digital photos
- Digital photos on a storage medium (e.g. USB drive, memory card, CD, DVD)

### **Digital Photos – No Tangible Goods Provided**

If you provide photography services and digital photos only (i.e. no tangible goods are provided), you do not charge PST on either the photography services or the digital photos. This includes digital photos you provide:

- over the internet, including by email, FTP, download or other means, or
- on a storage medium **provided by your customer**, such as a USB drive, memory card, CD or DVD. In this case, you have not provided tangible goods because the storage medium was provided by your customer.

### **Rights to Photographs (Print and Digital)**

You do not charge PST on licence fees you charge for the right to use a photograph or stock photograph when the charge is unrelated to the sale or lease of taxable goods.

However, if you provide a finished print or an image on a storage medium as part of the sale of the licence fee, you must charge PST on the licence fee because the fee forms part of the total purchase price of a taxable good.

## Editing Digital Photos

You do not charge PST if your customer provides digital photos for you to retouch or edit, provided you do not provide your customer with tangible goods once the service is complete.

### Example:

Your customer emails you a digital photo and requests that you convert part of the photo into black and white. When the service is complete, you email the photo back to your customer. PST does not apply because you have not provided any tangible goods.

However, if you provide your customer with printed copies of the edited photo, you must charge PST on the charge for the prints.

## Photo Booths

If you provide photo booths to your customers (e.g. for use at weddings or other events) and do not provide a person to operate the photo booth, you are leasing the photo booth to your customer and must charge PST on the total lease price. You must also charge PST on any other goods you sell or lease with the photo booth (e.g. props and costumes).

However, if you provide a photo booth and a person to operate the photo booth, you are not considered to be leasing the photo booth. In this situation, you are providing a non-taxable service to your customers (described below as **non-taxable photo booth services**).

## Tangible Photos

You must charge PST on tangible photos and any other tangible goods (e.g. photo books) you provide as a result of photo booth leases or non-taxable photo booth services, as follows.

- If you provide tangible goods, such as photo booth strips, and lease the photo booth (i.e. it does not come with a person to operate it), you must charge PST on the total amount because both the tangible goods and the lease are subject to PST.

- If you provide tangible goods and non-taxable photo booth services (i.e. the photo booth comes with a person to operate it), and the tangible goods are not optional, you must charge PST on the total charge. This is because the services form part of the total amount your customer must pay to receive the tangible goods.
- If you provide tangible goods and non-taxable photo booth services, and your customers have the option to purchase tangible goods, you must charge PST on the charge for the tangible goods but do not charge PST on the charge for the non-taxable photo booth services. This is because the services do not form part of the purchase price or lease price of the tangible goods as your customer is under no obligation to purchase or lease the goods.

## **Digital Photos**

If you only provide your customer with digital photos (i.e. no tangible goods are provided), you do not charge PST on the digital photos. This includes providing the digital photos over the internet, including by email, FTP, download or other means.

For more information on leases of goods, including information on leases with an operator, see [Bulletin PST 315](#), Rentals and Leases of Goods.

## **Studio Rentals**

You do not charge PST when you rent out your studio or lease studio space.

## **Videographers**

### **Videos in Tangible Format**

If you produce video recordings for your customers (e.g. at weddings, corporate events or other events) and you provide the video to your customer in tangible format (e.g. USB drive, memory card, CD, DVD), you must charge PST on the total charge your customer pays to receive the video, including your videography services.

### **Videos in Intangible Format**

If you only provide your customer with the video (or the right to access the video) in an intangible format (e.g. over the internet, including by email, FTP, download or other means), you do not charge PST on either the charge for the video or on your videography services, provided both of the following criteria are met:

- You produced the video specifically for your customer under a contract with that customer
- Your customer does not obtain the video, or copies of the video, in a tangible format

However, if you provide your customer with the video (or the right to access the video) in an intangible format and the above criteria are **not** met, you must charge PST on the total charge your customer pays to receive the video. For more information, see [Bulletin PST 107](#), Telecommunication Services.

## **Photography and Videography Classes**

If you provide photography or videography classes, you do not charge PST on the class fee. However, if you provide taxable materials or equipment to your students, PST may apply as set out below.

### **Student Materials and Equipment**

If you provide taxable materials or equipment in an all-inclusive class fee, you are making a bundled sale. Generally, you must charge PST as follows.

#### **Materials and Equipment Sold to Class Participants**

If your class participants are purchasing the materials and equipment (i.e. they may keep the taxable materials or equipment after the end of the class or series of classes), you:

- Must charge PST on the fair market value of the materials and equipment you sell to the class participants
- Do not pay PST when you obtain these materials and equipment, provided they are obtained solely for resale (e.g. to class participants)

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

**Note:** If you list the charges for the class fee separately from the materials and equipment used in the class on your invoice to the class participants, you must charge PST on any taxable materials and equipment you sell or lease to class participants.

In either case, you do not pay PST when you purchase the materials and equipment if they are solely for resale or for leasing to other persons. To purchase these items 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](#)).

### **Materials and Equipment Not Sold to Class Participants**

If the class participants are not permitted to keep the taxable materials and equipment after the end of the class (or series of classes), you:

- Do not charge PST on the materials and equipment you provide to class participants
- Must pay PST when you obtain the materials and equipment, as you are the user of these goods when you provide the photography or videography class

## **Photofinishers**

### **Sales and Leases of Tangible Goods**

You must charge PST on the total amount you charge your customer for tangible goods, such as:

- Calendars
- Greeting cards
- Photo albums
- Photo books
- Photo canvas
- Photo mugs
- Posters
- Printed photos

### **Film Developing Services**

Film developing services are subject to PST as related services. Therefore, you must charge PST when you provide film developing services to your customer's film.

You must also charge PST on any printed photos or other tangible goods you sell to your customer.

### **Retouching, Recolouring and Tinting Services**

Retouching, recolouring or tinting services are subject to PST as related services. Therefore, you must charge PST when you provide these services to your customer's photograph.

If you later produce a new print based on the original photograph, you must also charge PST on the new print.

For more information, see [Bulletin PST 301](#), Related Services.

## **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
- Computer hardware
- Darkroom equipment
- Energy for heat and light (except electricity)
- Items you purchase to give away as free promotions (see the section below, Bonus Items)
- Photo printers, cameras, tripods, lights, lenses, filters and memory cards
- Shelving and display equipment
- 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, 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 goods, you must self-assess (pay directly to us) 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 obtained the taxable items. For example, if you purchase a taxable item in July, you must file your 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.

## **Film, Photographic Paper and Chemicals for Developing Film**

If you are a commercial photographer or are in the business of processing or finishing photographs, you are exempt from PST on your purchases of film, photographic paper and chemicals you use to develop film in your business.

## 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 free picture frame when they purchase a certain number of printed photos. 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. the picture frame and the printed photos), you must 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, you are making a bundled sale. The general rule for charging PST on a bundled sale is that you must charge PST only on the fair market value of the taxable portion. The fair market value is the price a good or service would normally sell for in the open market.

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

**Note:** You must pay PST on all taxable goods you purchase or make to help advertise or promote your business. This includes goods you give away for free or sell below cost. For more information, see [Bulletin PST 311](#), Promotional Materials and Special Offers.

## **Production Machinery and Equipment Exemption**

If you manufacture goods (e.g. printed photos, photo albums, photo books), you may qualify for the production machinery and equipment (PM&E) exemption as a manufacturer. If you qualify as a manufacturer, you may obtain certain PM&E you use to manufacture your goods exempt from PST.

For example, if you have customers come to your studio for a photo shoot, and you produce tangible goods such as printed photos or photo albums at that studio, the PM&E you use to manufacture these goods may qualify for the PM&E exemption. This may include cameras, computers and printers. This does not include equipment used for lighting, backdrops, or props or furniture used for staging shots.

To qualify for the PM&E exemption, several criteria must be met, including all of the following.

- You must be involved in a qualifying manufacturing activity. This means you must fabricate, manufacture or process tangible goods such as printed photos. If you **only** produce and sell digital photographs or digital videos, you do not qualify.
- You must have a reasonable expectation that your sales of the goods you produce, or your manufacturing costs for those goods, will exceed \$30,000 per year. In calculating the \$30,000 threshold, you do not include sales of digital photographs where no tangible goods are provided.
- The PM&E must be obtained for use in B.C. primarily (i.e. over 50%) and directly in the manufacture of goods. If you do not manufacture goods yourself, but contract with a third party to manufacture your goods, the machinery and equipment you use in your business is not used directly in the manufacture of goods.
- The PM&E must be obtained for use primarily at the qualifying part of a manufacturing site. Generally, the qualifying part of a manufacturing site is the part of the manufacturing site (e.g. your studio) from the point where the raw material is received (photographs are taken), throughout the production process (e.g. editing and manufacturing of the tangible goods), up to the point where the finished product is first stored.
- Equipment you use to take digital photos at various locations (e.g. weddings or other events) will not qualify for the PM&E exemption because it is not used primarily at the qualifying part of a manufacturing site.

For more information, see [Bulletin PST 110](#), Production Machinery and Equipment Exemption.



## Need more info?

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

Toll free: 1-877-388-4440

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

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### Latest Revision

October 2022

- Revised to reflect that, effective April 1, 2019, electricity is fully exempt from PST for all purchasers
  - Clarified how PST applies to goods removed from lease inventory
  - Added information about purchasing exempt and taxable goods together
  - Clarified information about goods brought into B.C.
  - Other minor revisions
- 

References: Provincial Sales Tax Act, sections 1 “electronic device”, “fair market value”, “lease”, “promotional distribution”, “related service”, “sale”, “telecommunication”, “telecommunication service”, “telecommunication system”, 9, 10, 12, 13, 26, 29, 49, 81, 82, 119, 130, 137, 140.1, 141, 142, 145 and 192; Provincial Sales Tax Exemption and Refund Regulation, sections 1 “obtain”, 40, 86, 90-92, 107-109 and 113-114; Provincial Sales Tax Regulation, sections 47, 48, 72 and 79.