



Provincial Sales Tax (PST) Bulletin

Bulletin PST 104

Issued: April 2016
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Wholesalers

Provincial Sales Tax Act

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

This bulletin provides information to help wholesalers understand how the PST applies to their businesses.

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Registration

Do I Need to Register?

You are required to register to collect and remit PST if, in the ordinary course of business, you:

- offer to sell or lease taxable goods,
- offer to sell software, or
- provide related services, telecommunication services, legal services or accommodation.

However, you are not required to register if you do not make retail sales in the ordinary course of business (e.g. you only sell at wholesale).

Voluntary Registration

If you are not required to register to collect and remit PST, you may decide to register so you can self-assess (pay directly to us) any PST you owe on your PST return. For example, in certain circumstances, businesses must self-assess PST on goods, software and services they obtain for use in their business.

You may also decide to register for PST so you can use your PST number to claim an exemption on your inventory purchases for resale, instead of using a Certificate of Exemption – General ([FIN 490](#)).

For information on how to register for PST, see [Bulletin PST 001](#), Registering to Collect PST.

Note: If you are not registered and you collect PST, or an amount as if it were PST, on any sales or leases, you must remit that amount to us along with a completed Casual Remittance Return ([FIN 405](#)). For example, if you charged and collected PST on an exempt or non-taxable item, or collected tax at an incorrect rate (e.g. 10% instead of 7%), you must remit that amount. Depending on the circumstances, your customer may be entitled to a refund either directly from you or from us.

Claiming and Providing Exemptions

Certain goods and services are exempt from PST.

The following are the most common exemptions you may claim from your suppliers. Many of these exemptions require that you provide specific information or documentation to your suppliers **at or before** the time of the sale or lease in order to receive the exemption.

Note: You may also provide these exemptions when you make sales and leases to your customers. In this case, you must obtain the specific information or documentation from your customers at or before the time of the sale or lease in order to provide the exemption. You must keep this information and documentation as part of your records.

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 do not have a PST number, a completed Certificate of Exemption – General ([FIN 490](#)).

If your supplier charges you PST on goods for resale or lease, you may apply to us for a refund of the PST you paid. We cannot issue a refund of less than \$10. For more information, see [Bulletin PST 400](#), PST Refunds.

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

Goods Incorporated into Other Goods for Resale

You are exempt from PST on goods you obtain solely for processing, fabricating, manufacturing, attaching or incorporating into other goods for resale or lease. To purchase or lease these items exempt from PST, give the supplier your PST number. If you do not have a PST number and you qualify, give the supplier a completed Certificate of Exemption – General ([FIN 490](#)).

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.

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

Importing Goods for Resale from Outside Canada

Generally, if you import goods for resale or commercial goods into B.C. from outside Canada, Canada Border Services Agency (CBSA) and Canada Post will not charge you PST. However, if CBSA or Canada Post charges you PST on goods for resale or other exempt goods you imported from outside Canada, you can apply for a refund from CBSA by completing a Canada Customs – Adjustment Request ([B2](#)). This form is available at cbsa-asfc.gc.ca/publications/forms-formulaires

For information regarding PST paid to CBSA, call 1-800-461-9999.

Goods Shipped Outside B.C.

If you purchase goods in B.C., you are exempt from PST at the time of purchase if:

- the goods are to be shipped by the seller for delivery outside B.C., and
- no use is to be made of the goods by you while the goods are in B.C. other than storage of the goods with the seller.

Note: If you later bring or send the goods into B.C. or receive delivery of the goods in B.C., you must self-assess PST unless a specific exemption applies (see [Bulletin PST 310](#), Goods Brought Into B.C.).

Documentation

To support providing this exemption, your supplier must keep documentation that shows they delivered the goods outside B.C., such as a bill of lading, third-party delivery documents or shipping invoices. They may also use the Out-of-Province Delivery Exemption form ([FIN 462](#)) to record the goods they delivered to a location outside B.C. The FIN 462 is an optional form that may be used in addition to the required documentation described above.

Production Machinery and Equipment Exemption

If you manufacture your own products, you may qualify for the production machinery and equipment (PM&E) exemption as a manufacturer. The exemption applies to the machinery and equipment you use to manufacture your products, provided all the requirements for the exemption are met.

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

Other Exemptions

For more information on PST exemptions, see [Bulletin PST 200](#), PST Exemptions and Documentation Requirements.

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
- Cleaning supplies, such as rags, soaps and cleaning solutions

- Computer hardware including point-of-sale systems and other electronic devices
- Energy for heat and light (except electricity)
- Items you purchase to give away or sell as promotional material (see [Bulletin PST 311](#), Promotional Materials and Special Offers)
- Paper towels and toilet paper
- Shelving and display equipment
- Stationery, furniture and office equipment
- Vehicles

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

If your supplier does not charge you PST on taxable items, 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 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.

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.

Goods Brought Into B.C.

You must pay PST if you purchase or lease taxable goods 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.

Change in Use

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

Books and Records, and Audits

Books and Records

If you are a wholesaler who is not required to be registered, you still must keep sufficient records for all PST exemptions you claim (e.g. exempt inventory for resale). You must keep these records for at least five years.

If you are required to be registered, see our [Small Business Guide to PST](#) for information on what additional books and records you must keep.

Audits

An audit is a formal examination of financial records of your business to ensure you are charging and paying tax that is due, and to identify any areas where you may be doing this incorrectly. Any taxpayer, including individuals, manufacturers, wholesalers and retailers - large or small - can be audited.

For more information, see [Bulletin CTB 003](#), Audits.



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

October 2022

- Revised to reflect that, effective April 1, 2019, electricity is fully exempt from PST for all purchasers
 - Other minor revisions
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References: Provincial Sales Tax Act, sections 1, “accommodation”, “collector”, “promotional material”, “registrant”, “related service”, “software”, “telecommunication service”, “use”, “vendor”, 16, 25, 49, 54, 81, 83, 105, 119, 140.1, 141, 145, 168, 169, 178, 179, 184, 192 and 194; Provincial Sales Tax Exemption and Refund Regulation, sections 26 and 90-120; Provincial Sales Tax Regulation, sections 79, 80, 86 and 92.