



Provincial Sales Tax (PST) Notice

Notice 2021-002

Issued: February 2021

Notice to Sellers of Soda Beverages

Provincial Sales Tax Act

Effective April 1, 2021, soda beverages will no longer qualify for the exemption for food products for human consumption. PST will apply to all retail sales of soda beverages at a rate of 7%.

If you sell soda beverages and are not already registered as a PST collector, you must register to collect and remit PST. Ensure your point of sale systems are updated to charge PST on soda beverages effective April 1, 2021.

This notice explains how PST applies to soda beverages and the steps you must take to prepare to collect and remit PST.

What Are Soda Beverages

Soda beverages are carbonated or effervescent beverages that have bubbles and fizz and contain any of the following:

- Sugar
- Natural occurring sweeteners
- Added natural sweeteners (such as honey, molasses, maple syrup, fruit juice, stevia, etc.)
- Artificial sweeteners (such as aspartame, sucralose, saccharin, etc.)

Carbonation or effervescence may be either naturally occurring in drinks (as in the case of fermented non-alcoholic beverages, such as kombucha) or injected after the beverage has been manufactured (e.g. with carbon dioxide or nitrogen).

Examples of Soda Beverages Include:

- Soft drinks and soda pop
- Sparkling fruit juices
- Carbonated or nitrogenized energy drinks
- Kombucha
- Nitrogenized coffee (if sweetened)
- Sparkling, sweetened water

Soda beverages also include:

- Frozen sweetened beverages, such as Slurpees or Frosters, that have been carbonated or have other gases added to them, and
- Sweetened effervescent beverages that have any of the following added to them:
 - frozen desserts, such as ice cream (e.g. ice cream floats)

- fruit or fruit flavouring
- candy, chocolate or another type of confection

Vending Machine Beverages

You must charge, collect and remit PST on all beverages dispensed by a vending machine or similar equipment, unless the machine does not dispense any soda beverages. This means that if the vending machine dispenses any soda beverages, you must charge PST on all beverages dispensed by the machine, even if the beverage is not a soda beverage (e.g. juice, coffee or water).

Soda Fountain Beverages

You must charge, collect and remit PST on all beverages dispensed by a soda fountain, soda gun or similar equipment, even if the beverage is not a soda beverage (e.g. juice).

Soda Beverages Sold with Food or Other Goods

If you sell food or other goods with a soda beverage or with access to a beverage dispensed by a soda fountain, soda gun or similar equipment, you must charge PST on the beverage as follows:

- If you offer the beverage for sale without the food or other good, you charge PST on the lesser of
 - the ordinary purchase price of that beverage, and
 - the total purchase price of the other good and beverage together.

Or

- If you offer the beverage for sale only with the food or other good, the lesser of
 - 50% of the total purchase price of the food or other good and beverage together, and
 - \$3.

Example 1

You sell a pizza together with a two-litre bottle of cola for \$20 and you do not sell cola on its own. You charge \$0.21 PST on the deemed \$3 purchase price of the cola.

Example 2

You provide a lunch buffet for \$25, and patrons have access to a soda fountain. You do not sell access to the soda fountain on its own. You charge \$0.21 PST.

Example 3

You sell a hot dog and a pop combo for \$5. You also offer the pop for a standalone price of \$2. You charge \$0.14 PST on the \$2 standalone price when you sell the hot dog and pop combo.

Example 4

You sell a hot dog and a pop combo for \$1.50. You do not sell the pop on its own. You charge \$0.05 PST on \$0.75, which is 50% of the total purchase price of the hot dog and pop together.

What Are Not Soda Beverages

The following are not soda beverages:

- Dealcoholized beer, sparkling wine or cider, if the beverages contain 1% or less alcohol by volume
- Frozen sweetened beverages that are not carbonated and do not have any gases added to them
- Liquor (note: liquor is subject to 10% PST)
- Plain bottled water (still and carbonated)
- Sparkling flavoured waters that contain no sweeteners
- Still fruit juices (not carbonated)

Refundable Deposits on Soda Beverage Containers

You do not charge PST on refundable deposits your customers pay at the time of sale (e.g. for canned and bottled carbonated beverages).

Registering to Collect and Remit PST

If you sell taxable soda beverages, vending machine beverages or soda fountain beverages, you must register to collect the PST. This includes restaurants, cafeterias, coffee shops, food trucks, food kiosks, movie theatres, and other eating or drinking establishments. For more information on registration, see [Bulletin PST 001](#), Registering to Collect PST.

Further Information

Online: gov.bc.ca/pst

Toll free: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

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