



# Provincial Sales Tax (PST) Notice

Notice 2022-004

Issued: June 2022

## Notice to Tobacco Sellers

### Provincial Sales Tax Act

**Effective July 1, 2022**, provincial sales tax (PST) will apply at a rate of 7% on tobacco sold in B.C. PST will be charged on the purchase price of the tobacco, which already includes the tobacco tax.

This notice explains who is required to register to collect and remit PST and how PST is charged on tobacco sales.

### What is Tobacco

Tobacco means tobacco and tobacco products in any form in which it may be consumed by a person.

#### **Examples of tobacco include:**

- Cigars
- Cigarettes and tobacco sticks
- Chewing tobacco
- Pipe tobacco
- Snuff
- Raw leaf tobacco
- Heated tobacco products

#### **The following are not tobacco:**

- E-cigarettes
- Vaping liquids

# **Registering to Collect and Remit PST**

## **Tobacco Retail Dealers**

Effective July 1, 2022, if you are a tobacco retail dealer, you must be registered to collect and remit PST.

Your registration can take up to 21 business days to be processed. For more information on registration, see [Bulletin PST 001](#), Registering to Collect PST.

If you are a tobacco retail dealer and you are already registered to collect and remit PST, ensure your point-of-sale systems are updated to charge PST on tobacco effective July 1, 2022.

### **Exempt Sales Retail Dealers (ESRD)**

If you are an exempt sales retail dealer (ESRD) who only sells exempt tobacco, you are not required to register to collect PST. However, if you are an ESRD and you hold a tobacco retail authorization (TRA) to sell other tobacco or tobacco products, you must be registered to collect and remit PST.

Visit our website for more information about the requirements for [retailing tax exempt tobacco](#).

### **Tobacco Wholesale Dealers**

If you are a tobacco wholesale dealer, you do not need to register to collect PST on tobacco sales. However, if you are a wholesale dealer and you hold a tobacco retail authorization (TRA) to sell other tobacco or tobacco products, you must be registered to collect and remit PST.

When you purchase tobacco at wholesale in B.C., you will need to provide your supplier a Certificate of Exemption – General ([FIN 490](#)). You may register for PST and use your PST number instead of using an exemption certificate.

## **Purchasing Tobacco for Resale Exempt From PST**

If you are a tobacco retail dealer purchasing tobacco for resale in B.C., you must provide your PST registration number or Certificate of Exemption – General ([FIN 490](#)) to purchase tobacco exempt from PST.

### **Example**

On July 2, 2022, you purchase 50 cartons of cigarettes from your wholesale dealer. You provide your wholesaler with your PST registration number. The price you pay for the cigarettes will include the tobacco tax but is exempt from the PST. When you sell these cigarettes in your store, you will charge your customer 7% PST on the purchase price of the cigarettes.

If you are an ESRD you will require a valid PST registration number or Certificate of Exemption – General ([FIN 490](#)) to purchase the black stock tobacco exempt from PST.

## **Charging PST on Tobacco**

Effective July 1, 2022, you must charge 7% PST on tobacco sold in B.C. You charge PST on the purchase price of the tobacco, which already includes the tobacco tax.

### **Example 1**

You sell 10 grams of loose tobacco at \$2.65 a gram for a total of \$26.50. The tobacco tax is already included in the purchase price. Effective July 1, 2022, you will charge your customer \$1.86 PST on the 10 grams of tobacco you sell ( $\$26.50 \times 7\% = \$1.86$ ).

### **Example 2**

You sell a pack of cigarettes for \$15.99. The tobacco tax is already included in the purchase price. Effective July 1, 2022, you will charge your customer \$1.12 PST on the price of the cigarettes ( $\$15.99 \times 7\% = \$1.12$ ).



## **Need more info?**

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