



Books, Magazines, Newspapers and Other Publications

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.*

This bulletin provides information on how the PST applies to books, magazines, newspapers and other publications.

If you publish and print your own publications, also see [Bulletin PST 109](#), *Printers and Publishers*.

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Exempt Publications

The following publications are exempt from PST. Publications that do not meet the criteria provided below are subject to PST and may be found under Taxable Publications below.

Books

Printed bound books are exempt from PST when they are published solely for educational, technical, cultural or literary purposes.

To qualify for the exemption, a book must meet all the following criteria:

- It must have a distinct cover. A cover does not necessarily have to be made of paper or material that is thicker than the content (e.g. a cover can be a sheet of coloured paper). Paper that is the same colour and thickness as the content does not qualify as a cover.
- It must not contain advertising. However, an incidental amount of advertising, such as lists of other books from the same author or publisher, price lists and order forms, is acceptable and does not make the book taxable.

- It must be bound. A publication in the form of printed loose-leaf sheets inserted into a ringed binder qualifies as bound and is a book if it meets the content requirements. Also, a book can be bound by a single staple (e.g. in the upper-left corner of the book).

The exemption for books does not apply to directories, price lists, timetables, rate books, catalogues, reports, albums or any similar publications.

Audio books are subject to PST, whether purchased electronically or in a tangible format such as a CD.

Electronic books or e-books are not subject to PST.

Magazines and Periodicals

Magazines

Magazines are exempt from PST if they are printed and bound in a magazine format and are issued at regular intervals each year by one of the following:

- a professional body
- a trade or industrial organization
- a commercial publishing firm
- a non-profit organization
- an employer to their employees

To qualify for the exemption, a magazine must not be an excluded publication (see Taxable Magazines, Periodicals and Newspapers below) and at least 10% of the content must be technical, literary, editorial and pictorial (see Technical, Literary, Editorial and Pictorial Content for Magazines and Periodicals below).

Periodicals

Periodicals are exempt from PST if they are printed and bound in a periodical format and are issued at regular intervals each year by one of the following:

- a professional body
- a trade or industrial organization
- a commercial publishing firm
- a non-profit organization

To qualify for the exemption, a periodical must not be an excluded publication (see Taxable Magazines, Periodicals and Newspapers below) and at least 10% of the content must be technical, literary, editorial and pictorial (see Technical, Literary, Editorial and Pictorial Content for Magazines and Periodicals below).

Technical, Literary, Editorial and Pictorial Content for Magazines and Periodicals

The following are included in the technical, literary, editorial and pictorial content of magazines and periodicals:

- maps, charts, pictures and diagrams related to, or are part of, that content
- the masthead
- the title page

The following are not included in the technical, literary, editorial and pictorial content of magazines and periodicals:

- all advertisements, promotional material and promotional articles, regardless of who bears the cost for the publication of the advertisement, promotional material or promotional article
- all material and articles paid for or sponsored by a person who is not an owner or publisher of the magazine or periodical
- maps, charts, pictures and diagrams related to, or are part of, advertisements, promotional material and promotional articles
- covers, indices, tables of contents, borders, and duplicated or blank pages

Calculating Magazine and Periodical Content

The technical, literary, editorial and pictorial content of a magazine or periodical must be calculated as follows:

1. Determine the area of all the pages of the magazine or periodical, but do not include the area of the covers, indices, tables of contents, borders, and duplicated or blank pages.
2. Determine the area of all the technical, literary, editorial and pictorial content.
3. Calculate the percentage of technical, literary, editorial and pictorial content by dividing the area determined under step 2 by the area determined under step 1, and multiplying by 100.

If the percentage of technical, literary, editorial and pictorial content is 10% or more, the magazine or periodical is exempt from PST.

Note: If you sell or give away a publication inside another publication (e.g. a magazine inside a newspaper), you must consider the content of each publication separately to determine if either qualifies for an exemption.

Newspapers

Newspapers are exempt from PST if they are printed and unbound in a newspaper format and are published at regular intervals each year. Newspapers do not include:

- excluded publications (see Taxable Magazines, Periodicals and Newspapers below)
- advertising material known as flyers or advertising circulars, even if the flyers or advertising circulars are sold or given away as part of the newspaper

To qualify for the exemption, at least 20% of the content must be editorials, news and articles of local or common interest.

Editorials, News and Articles of Local or Common Interest for Newspapers

The following are included in the editorials, news and articles of local or common interest content of newspapers:

- business market quotations
- comics
- crosswords and similar puzzles
- horoscopes
- letters to the editor
- maps, charts, pictures and diagrams related to, or are part of, that content
- the masthead
- movie, theatre and other reviews

- public service listings of events, activities or attractions for which no consideration of any kind is paid or exchanged and for which editorial control rests solely with the publisher
- sports scores
- television listings
- the title page
- weather forecasts

The following are not included in the editorials, news and articles of local or common interest content of newspapers:

- all advertisements, promotional material and promotional articles, regardless of who bears the cost for the publication of the advertisement, promotional material or promotional article
- all material and articles paid for or sponsored by a person who is not an owner or publisher of the newspaper
- maps, charts, pictures and diagrams that are related to, or are part of, advertisements, promotional material and promotional articles
- covers, indices, tables of contents, borders, and duplicated or blank pages

Calculating Newspaper Content

The editorials, news and articles of local or common interest content of a newspaper must be calculated as follows:

1. Determine the area of all the pages of the newspaper, but do not include the area of the covers, indices, tables of contents, borders, and duplicated or blank pages.
2. Determine the area of all the editorials, news and articles of local or common interest content.
3. Calculate the percentage of the editorials, news and articles of local or common interest content by dividing the area determined under step 2 by the area determined under step 1, and multiplying by 100.

If the percentage of editorials, news and articles of local or common interest content is 20% or more, the newspaper is exempt from PST.

Note: If you sell or give away a publication inside another publication (e.g. a magazine inside a newspaper), you must consider the content of each publication separately to determine if either qualifies for an exemption.

Other Exempt Publications

The following publications are exempt from PST:

- employee newsletters
- sheet music (including loose sheet music, photocopies of sheet music and bound sheet music)
- student yearbooks

Also, electronic magazines, electronic periodicals and electronic newspapers are not subject to PST. However, website subscriptions may be subject to PST if they provide access to taxable content (e.g. video). For more information, see [Bulletin PST 107](#), *Telecommunication Services*.

Examples of Exempt Publications

The following are examples of publications that may qualify for exemption. If the example is a book, magazine, periodical or newspaper, the publication must also meet the criteria explained above to be exempt from PST:

- almanacs
- art and photography books
- atlases
- books (e.g. hard cover, paperback)
- charts in book form
- children's colouring books, cut-out books, and bound sticker books
- comic books
- cookbooks
- crossword puzzle and Sudoku books
- electronic books (e.g. sold in PDF, ePub or .mobi formats)
- employee newsletters and magazines
- magazines
- manuals – instructional, procedural, repair, service, training
- maps in book form
- newspapers
- pattern books and magazines
- periodicals
- sheet music
- student yearbooks and handbooks

Taxable Publications

The following publications do not qualify as exempt publications and are subject to PST:

- albums (e.g. photo albums)
- audio books – in a tangible format (e.g. CD) or electronic format (taxable as a telecommunication – see [Bulletin PST 107](#), *Telecommunication Services*)
- blueprints (see below)
- bookmarks (see below)
- brochures
- calendars
- catalogues and similar publications whose primary purpose is to describe, promote or encourage the purchase, use or consumption of goods, software, services or real property
- contracts
- course calendars
- date calendars
- day planners (e.g. student agendas)
- directories
- electronic book readers (e.g. tablets)

- maps – except in book form
- pamphlets
- price lists
- programs
- rate books
- reports
- requests for proposals
- specifications
- sports or recreation calendars
- stationery (unless exempt as school supplies - see [Bulletin PST 202](#), *School Supplies*)
- studies
- tablets
- tenders
- tide tables (unless purchased by qualifying commercial fishers – see [Bulletin PST 102](#), *Commercial Fishers*)
- timetables
- union agreements

Blueprints

The original or master copy of a blueprint is not subject to PST when provided under a contract for professional services with an engineer or architect. Other original or master copies of publications (e.g. a contract, specification, study or tender) are not subject to PST if they are provided as a part of a contract for services and:

- the fundamental and overriding objective of the contract is the acquisition of the service and not the acquisition of the publication,
- there is no separate purchase price for the publication, and
- the total consideration payable for the service, including the publication, is the same as, or only marginally different from, what would be the total consideration payable for the service if the publication were not provided.

Note: Engineers and architects must pay PST on the materials they use to create the original or master copy of blueprints that are not subject to PST.

Bookmarks

Generally, bookmarks are subject to PST.

However, booksellers often include a bookmark as a bonus item with the purchase of a book. For the purpose of the PST, these transactions are sales of both items. Therefore, booksellers can purchase these bookmarks exempt from PST as goods for resale.

When booksellers provide bookmarks with books that are exempt from PST, generally the bookmark is also exempt from PST because of the bundled sale exemption. For information on the bundled sale exemption, see [Bulletin PST 316](#), *Bundled Sales and Leases*.

Goods Used to Make Publications

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 (e.g. publications) for resale or lease. For example, if you sell newspapers or calendars, you are exempt from PST on the ink and paper you use to print the newspapers or calendars.

This exemption applies regardless of whether the goods being resold are exempt publications or taxable publications.

To purchase these items exempt from PST, give the supplier your PST number. If you do not have a PST number, give the supplier a completed *Certificate of Exemption – General* ([FIN 490](#)).

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

Note: Newspaper strapping is used during the distribution process and is not resold to customers. Therefore, newspaper publishers must pay PST on strapping.

Goods Incorporated into Publications that are Not Resold

You must pay PST on goods you obtain for processing, fabricating, manufacturing, attaching, or incorporating into publications that you do not resell (e.g. you give them away at no charge). For example, if you give away newspapers, employee newsletters or pamphlets, you must pay PST on the ink and paper you use to print the newspapers, employee newsletters or pamphlets. This applies regardless of whether the publications are exempt publications or taxable publications.

However, if you contract with a third party (e.g. a printer) for the printing of the publication, you may be exempt from PST.

For example, you arrange for a printer to print your company's employee newsletters. You purchase the completed newsletters from the printer and distribute the newsletters free of charge to your employees. You are exempt from PST on the employee newsletters because you are buying an exempt publication. Also, the printer may purchase the ink and paper exempt because the printer is incorporating them into other goods for the purpose of resale.

Bundled Sales

If you sell an exempt publication with a taxable publication for a single price, you charge PST based on the rules for bundled sales of taxable and non-taxable goods. For more information, see [Bulletin PST 316](#), *Bundled Sales and Leases*.

Promotional Materials

Promotional materials are goods you use or give away to help advertise or promote your business. Examples of promotional material include flyers, samples, gifts, premiums and prizes. Promotional materials also include goods that are given away as part of a loyalty or rewards points program.

If you give away a flyer, or advertising or promotional publication, you must pay PST on your cost of the publication. If you sell the publication for a charge that is less than your cost, you must collect PST on the purchase price.

You must also self-assess PST on the difference between the selling price and your cost as provided by the following formula:

$$(\text{Cost} - \text{Customer's purchase price}) \times \text{PST rate} = \text{PST to self-assess}$$

For example, if you pay \$6 to produce a sales catalogue of your products, and you sell the catalogue for \$2, you must collect PST from the purchaser on the \$2 sale (i.e. \$0.14 in PST).

You must also self-assess PST on the remaining \$4 based on the formula above:

$$(\$6 - \$2) \times 7\% = \$0.28 \text{ PST to self-assess}$$

In total, you remit \$0.42 in PST for each catalogue (\$0.14 + \$0.28 = \$0.42)

If you sell the publication for more than cost, you must collect PST from your customer on the purchase price. You do not pay PST on your cost because, in this case, the item is not promotional material.

For more information, see [Bulletin PST 311](#), *Promotional Materials and Special Offers*.



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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

March 2016

- Clarified that, effective April 1, 2013 (subject to Bill 14, *Finance Statutes Amendment Act, 2016* receiving royal assent), you are exempt from PST on goods you obtain **solely** for processing, fabricating, manufacturing, attaching, or incorporating into other goods for resale or lease
 - Minor revisions
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References: *Provincial Sales Tax Act*, sections 1 “non-taxable component”, “taxable component”, 137, 141 and 145; *Provincial Sales Tax Exemption and Refund Regulation*, sections 15-17; *Provincial Sales Tax Regulation*, section 10.