



Grocery and Drug Stores

Provincial Sales Tax Act

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

This bulletin provides information to help grocery and drug stores understand how the provincial sales tax (PST) applies to their businesses.

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Examples of Exempt Sales

This is a list of exempt items commonly sold in grocery and drug stores. It is not a complete list.

Items not on this list may be found on the Taxable List below. If an item is not on either list and you are unsure how PST applies, please contact us.

Food for Human Consumption and Water

Food products for human consumption are exempt from PST (other than liquor with 1% alcohol content or more, which is taxed at 10% PST), including:

- Bread and other baked goods
- Candy and confections
- Canned goods (e.g. jams, preserves, tomato sauce, vegetables, soup)
- Carbonated or non-carbonated drinks
- Coffee and tea and sweeteners
- Cooking oils (e.g. olive oil)
- Non-alcoholic beer and wine (i.e. less than 1% alcohol content)
- Cooking sherry (i.e. those sold in a grocery store and not a liquor store)
- Drinks and drink mixes (e.g. hot chocolate, iced tea)
- Food colouring
- Fruits and vegetables

- Gelatine
- Gum (e.g. confections, nicotine, weight loss support)
- Infant formula
- Meat
- Milk products and dairy products (e.g. cheese, yogurt and ice cream)
- Protein drink mixes
- Snacks (e.g. chips and crackers)
- Spices and seasonings, including salt (other than salt that is not for human consumption, such as salt for de-icing or softening water)

Water and ice are exempt from PST, including ice cubes and ice blocks (e.g. for coolers).

Note: Pet food is taxable.

Health and Medical Products

First Aid Materials

First aid materials obtained to treat humans are exempt from PST, including:

- Adhesive tape
- Alcohol pads, swabs and wipes
- Bandages
- Chemical heating pads
- Dressings
- Eye pads
- First aid booklets
- First aid kits
- Hot and cold packs
- Medications
- Porous plasters
- Surgical cotton
- Tensor bandages
- Wraps

Household Medical Aids

Household medical aids are drugs and medicines, including those in the form of salves, ointments, nasal sprays, inhalants, antiseptics, liniments, foot powders, germicides, laxatives, cough syrups, and cold and flu remedies that are advertised or marketed as products that treat, mitigate or prevent a human disease or disorder.

The following household medical aids are exempt from PST (this is not a complete list):

- Acne preparations, medicated (e.g. cleansers, lotions, soaps) – when advertised or marketed as a product that treats, mitigates or prevents acne
- After bite salve
- Analgesics (i.e. pain relievers)
- Antacids

- Anti-inflammatory rubs
- Antinauseants
- Anti-parasitic treatments (e.g. for lice or worms)
- Antihistamines
- Antiphlogistine rubs
- Antiseptic pain relievers
- ASA tablets
- Baby medications (e.g. teething lotion or gel, colic remedies)
- Bee propolis
- Boric acid
- Burn remedies
- Castor oil
- Chest rubs and inhalants
- Cod liver oil
- Cold remedies
- Cough remedies (e.g. lozenges, syrup)
- Creams, medicated (e.g. diaper rash cream, eczema) – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include creams for dry or oily skin, beauty products, such as anti-aging cream, or cosmetics)
- Decongestant tablets
- Dermatologic skin preparations – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include creams for dry or oily skin, beauty products, such as anti-aging cream, or cosmetics)
- Diaper rash creams and ointments
- Diarrhea preparations
- Ear preparations – made to treat, mitigate or prevent an ear disease or disorder
- Eczema preparations
- Epsom salts
- Eye drops or preparations – made to treat, mitigate or prevent an eye disease or disorder
- Foot medications, powder and spray – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder
- Flu remedies
- Germicides
- Heat liniments
- Hemorrhoid preparations
- Inhalants, asthma and chest
- Isopropyl alcohol
- Kidney pills
- Lactic acid drops or tablets
- Laxatives
- Liniments
- Lip preparations, medicated

- Liver pills
- Lotions, medicated – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder, such as eczema (this does not include preparations for dry or oily skin, beauty products, such as anti-aging cream, or cosmetics)
- Lozenges
- Medicated skin creams – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include creams for dry or oily skin, beauty products, such as anti-aging cream, or cosmetics)
- Moisturizers, medicated – when advertised or marketed as a product that treats, mitigates or prevents a particular skin condition, such as eczema (this does not include creams for dry or oily skin, beauty products, such as anti-aging cream, or cosmetics)
- Motion sickness preparations
- Nasal drops and sprays
- Ointments, medicated
- Pain relief medications
- Peroxide
- Petroleum jelly
- Psoriasis preparations
- Rubbing alcohol
- Sedatives
- Shampoo advertised or marketed as a product for the treatment of head lice
- Sleep preparations (i.e. over the counter sleeping aids)
- Soaps and moisturizers, medicated – when advertised or marketed as a product that treats, mitigates or prevents a particular skin condition, such as eczema (this does not include preparations for dry or oily skin, beauty products, such as anti-aging cream, or cosmetics)
- Stomach remedies
- Sunburn medication, medicated – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include sunscreen or sunblock)
- Suppositories
- Teeth and gum medications, over the counter
- Teething lotion or gel
- Throat lozenges
- Toothache medications, over the counter
- Wart removal preparations
- Worm preparations (e.g. antifungal creams, lotions, ointments)

Note: The following are subject to PST:

- Beauty products and cosmetics
- Hair products (including dandruff treatment) – unless the hair product is advertised or marketed as a product for the treatment of head lice
- Oral hygiene products, including toothpaste and mouthwash
- Soaps and moisturizers – unless medicated and advertised or marketed as a product that treats, mitigates or prevents a particular skin condition

- Sunscreen/sunblock
- Toiletries, shaving products, depilatories (i.e. hair removal products) and fragrances

Prescription Drugs, Vaccines, and Dental and Optical Appliances

A **prescription** is a formula or direction given by a practitioner as a remedy or treatment for a disease or disorder.

Practitioner is defined under the *Pharmacy Operations and Drug Scheduling Act* and includes doctors, dentists and other health care professionals who are authorized to prescribe drugs or devices.

For optical appliances, prescription also includes an assessment record or a contact lens record as defined in the **Opticians Regulation**.

The following are exempt from PST:

- Dental and optical appliances sold on **prescription**, including:
 - clip-on sunglasses sold together with prescription eyeglasses that are specifically designed to be attached to the eyeglasses
 - frames sold together with prescription eyeglasses

See **Bulletin PST 207**, *Medical Supplies and Equipment*

- Drugs and other substances that treat, mitigate or prevent a human disease or disorder when sold on **prescription**
- Drugs listed in Schedule I or IA of the Drug Schedules Regulation (exempt for all purchasers, including hospitals, practitioners and health authorities)
- Vaccines listed in Schedule II of the Drug Schedules Regulation and vaccines that are veterinary drugs as defined under the *Veterinary Drugs Act* (exempt for all purchasers, including hospitals, practitioners and health authorities)

Vitamins and Dietary Supplements

Vitamins and dietary supplements are exempt from PST if they are in an orally ingestible form and are obtained for human consumption. Vitamins and dietary supplements include ascorbic acid (e.g. vitamin C), cod liver oil, and mineral, protein and sports supplements.

Other Medical Products

The following are exempt from PST:

- Bunion, callous and corn pads obtained to treat humans
- Certain medical supplies and equipment for individuals with disabilities, including crutches, incontinence briefs for adults, elastic hosiery for use as a support for varicose veins, and urinary appliances – see **Bulletin PST 207**, *Medical Supplies and Equipment*
- Dentures, including adhesives, liners and repair kits
- Diabetic supplies, including syringes, needles, autolets, glucose monitoring units and diabetic testing materials obtained by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use
- Drugs and other substances that alleviate pain
- Hearing aids, including specifically designed replacement batteries
- Nicotine gum, patches and similar items advertised or marketed as products that assist an individual to stop smoking, if obtained by an individual for their own use

- Orthopaedic appliances - see [Bulletin PST 207](#), *Medical Supplies and Equipment*
- Ostomy material, equipment and supplies – see [Bulletin PST 207](#), *Medical Supplies and Equipment*
- Sanitary napkins, tampons, sanitary belts, menstrual cups or other similar products, including maternity pads – when advertised or marketed for feminine hygiene purposes (note: this does not include deodorants, douches, sprays or syringes)
- Vaccines listed in Schedule II of the Drug Schedules Regulation and vaccines that are veterinary drugs as defined under the *Veterinary Drugs Act*
- Wheelchairs, scooters and other devices for use in transporting individuals with disabilities – see [Bulletin PST 207](#), *Medical Supplies and Equipment*

Other Exempt Goods Commonly Sold in Grocery and Drug Stores

Children’s Clothing

The following items are exempt from PST:

- Children-sized clothing and footwear, including garments designed for:
 - babies, such as baby bibs, baby blankets, baby clothing, bunting bags, cloth diapers and diaper liners
 - girls, up to and including girls’ national standard size 16, and
 - boys, up to and including boys’ national standard size 20).
- Adult-sized clothing and footwear purchased for children under 15 years old (purchasers of these items must complete a certification form)

For more information on exempt children’s clothing, including documentation requirements for sales of adult-sized clothing and footwear purchased for children under 15 years old, see [Bulletin PST 201](#), *Children’s Clothing and Footwear*.

Publications

The following publications are exempt from PST:

- Books that are printed and bound, including colouring books, comic books, cookbooks, dictionaries, garden books, maps sold in book form and pocket books (e.g. crosswords, horoscopes)
- Qualifying magazines, newspapers and periodicals

For more information on what qualifies as an exempt book, magazine, newspaper or periodical, see [Bulletin PST 205](#), *Books, Magazines, Newspapers and Other Publications*.

School Supplies

Specified school supplies are exempt from PST when obtained for the use of a student who is enrolled in an educational program provided by a qualifying school or who is being educated at home in accordance with the *School Act*. The exemption includes:

- Crayons
- Erasers
- Glue
- Paper - lined, unlined, drawing, graph and music manuscript
- Pencils
- Pens

- Ring binders
- Rulers
- School art portfolios
- Work books

For more information on what school supplies are exempt, see [Bulletin PST 202, School Supplies](#).

Feeds, Fertilizer and Plants

The following are exempt from PST:

- Feed obtained to feed any animal that is to be sold in the regular course of business, or that ordinarily produces food for human consumption (i.e. livestock)

Note: These items are taxable if obtained to feed pets or other animals that are not livestock. Pet food is also taxable.
- Fertilizer purchased by an individual or purchased for an agricultural purpose.

Fertilizer is a substance or mixture of substances that contains nitrogen, phosphorus, potassium or other plant nutrients and is substantially advertised or marketed as a plant food. Fertilizer does not include substances or mixtures of substances (e.g. garden mixes) that:

 - contain 50% or more (by volume) of sand, gravel, topsoil, fill, weed control chemicals, fungicides or a substance that is not a plant nutrient, or a combination of these items, or
 - are registered under the *Pest Control Products Act* (Canada).
- Grain, mill and other agricultural feeds (e.g. hay) and seeds obtained solely for an agricultural purpose (these items are taxable if obtained to feed household pets or for birds that are not livestock; pet food is also taxable)
- Living plants and trees that ordinarily produce food for human consumption (e.g. fruit trees, vegetable plants, plants with edible berries, culinary herbs, onion sets and onion bulbs)
- Sawdust, straw, wood chips, bark chips, bark mulch and wood shavings if these items are obtained for use in landscaping or as bedding for animals

Other Exempt Substances

The following substances are exempt from PST when obtained by an individual or for an agricultural purpose:

- Agricultural lime
- Organic mulch
- Organic substances, if advertised or marketed as compost aids or compost accelerators
- Peat
- Plant hormones, microorganisms and enzymes, or a mixture of plant hormones, microorganisms and enzymes, if advertised or marketed as a plant regulator
- Sphagnum
- The following growing mediums:
 - compostable basket liners and growing mats made only from organic materials
 - compostable pots made only from organic materials
 - Diatomaceous earth
 - Humus
 - Orchid bark

- Peat pellets
- Perlite
- Potting soil and soilless potting mix, unless the soil or mix:
 - contains 50% or more (by volume) of sand, gravel, topsoil, fill, weed control chemicals, fungicides or any combination of these items, or
 - is registered under the *Pest Control Products Act* (Canada).
- Vermiculite
- Wood ash or charcoal, if advertised or marketed as a soil amendment

For more information on these exemptions, see [Bulletin PST 128](#), *Nurseries and Garden Stores*.

Fuel

The following are exempt from PST:

- Barbeque briquettes
- Manufactured fire logs
- Pelletized fuel, as defined in the Solid Fuel Burning Domestic Appliance Regulation
- Wood and charcoal, if obtained for use as a source of energy, including hickory chips, kindling and hog fuel
- Propane – however, propane is subject to motor fuel tax at a rate of 2.7¢ per litre unless a specific exemption applies (e.g. propane sold in a sealed, pre-packaged container that holds not more than 4 litres of propane, and propane sold in a pre-filled or refilled cylinder that is designed to hold not more than 28 litres of propane). For more information, see [Bulletin MFT 014](#), *Propane Exemptions*.

Safety Equipment

The following safety equipment and protective clothing is exempt from PST:

- Work-related safety equipment and protective clothing designed to be worn by, or attached to, a worker if required under specified provincial work safety legislation when purchased or leased by an employer, self-employed person or educational institution,
- Specifically listed work-related safety equipment and protective clothing designed to be worn by a worker, including safety goggles and steel-toed boots, and
- Specifically listed general safety equipment and protective clothing, including safety helmets designed for use in sport, recreation and transportation, first aid kits, children's restraint car seats and children's booster car seats, safety vests and safety bibs.

For more information, see [Bulletin PST 100](#), *Safety Equipment and Protective Clothing*.

Other

The following are exempt from PST:

- Clothing patterns
- Remembrance Day poppies and wreaths
- Tobacco (i.e. cigars, cigarettes, chewing tobacco, pipe tobacco and snuff) – however, these products are subject to tobacco tax – see [Bulletin TTA 003](#), *Tobacco Retailers*
- Yarn, natural fibres, synthetic thread and fabric that are commonly used in making or repairing clothing – see [Bulletin PST 130](#), *Fabric and Craft Stores*

Gift Cards and Gift Certificates

Generally, you do not charge PST on a purchase of gift cards or gift certificates because it is a purchase of store credit a customer may redeem later. When a customer redeems the credit, PST applies to the purchase as if the credit was cash. PST will apply if the item purchased is subject to PST.

However, certain types of gift cards are subject to PST if they can only be used to purchase taxable telecommunication services or software. For more information, see [Bulletin PST 105](#), *Software*, and [Bulletin PST 107](#), *Telecommunications Services*.

Examples of Taxable Sales

Listed below are examples of taxable items commonly sold in grocery and drug stores. It is not a complete list.

Items not on this list may be found on the exempt list above. If the item is not on any of these lists and you are unsure how tax applies, please contact us.

- Aftershave lotions
- Air deodorizers or fresheners
- Albums (e.g. photo, record, stamp)
- Ammonia
- Antifreeze
- Aprons – including aprons for children
- Artificial flowers
- Athletic equipment (e.g. balls, bats, hockey sticks) – except safety helmets
- Automotive supplies (e.g. oil)
- Baby bottles and nipples
- Baby pins
- Baby toiletries, non-medicated (e.g. oil, powder, lotion, shampoo, wipes)
- Backpacks
- Bags (e.g. paper, shopping, lunch)
- Barbecues
- Bath oils
- Batteries – except batteries designed specifically for hearing aids
- Beauty aids (e.g. makeup brushes, manicure sets)
- Bird gravel and bird seed
- Blankets – except baby blankets and receiving blankets
- Blood pressure monitors
- Blow dryers
- Blu-ray discs, blank or recorded
- Bottle caps
- Breast pads and pumps
- Breath sprays

- Brooms
- Bug killers
- Bulbs, flower, garden – except onion sets and onion bulbs
- Buttons
- Calculators
- Calendars
- Camera supplies (e.g. batteries, film)
- Cameras
- Candles
- Canning supplies (e.g. jars, rings, lids)
- Cards, greeting, sports
- Cat food
- Catalogues – for promoting sales or lease of items, property or services
- Catnip – unless sold for human consumption (e.g. as tea)
- CDs and DVDs, blank or recorded
- Cheesecloth
- Chloride of lime
- Chlorine
- Christmas trees – artificial or uncut
- Cigarette holders, makers, papers, tubes
- Citronella
- Clamps
- Clocks
- Clothes pins and lines
- Cloths – dish, cleaning
- Coffee filters
- Collars, pet
- Colognes
- Coolers, including soft coolers designed to hold ice
- Condoms
- Contact lens preparations (e.g. cleaning solution, lubricant)
- Contraceptives and contraceptive preparations – except oral contraceptives purchased with a prescription
- Cords, electric
- Cosmetics
- Cotton swabs
- Creams (e.g. face, hand, skin, shaving) – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (creams for dry or oily skin, beauty products, such as anti-aging cream, and cosmetics are taxable)
- Curling irons
- Cut flowers

- Cutlery
- Dental needs – except dental adhesives, liners and repair kits
- Denture cleaners
- Deodorants
- Deodorizers
- Depilatories
- Detergents
- Diaper pins
- Diapers, disposable
- Diaphragms
- Directories
- Dishes
- Disinfectant cleaners
- Disinfectants – except household medical aids that are advertised or marketed as products that treat, mitigate or prevent a human disease or disorder (e.g. antiseptics, rubbing alcohol)
- Dog food
- Dog biscuits
- DVDs, blank or recorded
- Dye (e.g. fabric, hair)
- Electric blankets
- Electrical supplies (e.g. cords, fuses, light bulbs)
- Electronic cigarettes
- Escargot shells
- Essential oils
- Evergreen trees, shrubs – except natural, cut evergreens sold as Christmas trees
- Eye drops – for lubricating or re-wetting contact lenses
- Fabric dye
- Face cream and cleansers – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (creams and cleansers for dry or oily skin, beauty products, such as anti-aging cream, and cosmetics are taxable)
- Facial tissue
- Feminine hygiene sprays, deodorants, douches and syringes
- Film, camera and prints
- Filters – coffee, oil
- Fire-starters
- Fishing bait
- Flashlights
- Flea killers and flea soap
- Flints
- Floor – wax, polish

- Flower bulbs, plants, pots – except when purchased by a qualifying farmer to be used solely for farm purposes (note: onion sets and bulbs are exempt for anyone)
- Flowers, cut
- Fly swatters
- Foil – aluminium wrap, plates
- Freezer bags
- Fuel, barbeque starter
- Fungicides
- Furniture polish
- Fuses
- Garbage bags
- Garden mixes that are not fertilizers – see the Feeds, Fertilizers and Plants section in the Exempt list above
- Garden tools, equipment, furniture
- Gels, hair setting
- Glass cleaner
- Glassware
- Gloves – general purpose, dress
- Greeting cards
- Grooming aids
- Ground meat – labelled as pet food
- Hair accessories (e.g. barrettes, brushes, clips, combs)
- Hair care items (e.g. dyes, sprays, remover, gels, shampoos)
- Hair dryers
- Hair tonics
- Hair wave sets
- Hand cleaners
- Hand creams, lotions – unless medicated and advertised or marketed as a product that treats, mitigates or prevents a particular skin condition
- Handbags
- Handkerchiefs
- Hanging baskets
- Hardware items
- Heating pads, electric
- Herring for fish bait – except when purchased by commercial fishers
- Highlighter pens, markers
- Hip pads
- Hot water bottles
- Household cleaners
- Insect repellent
- Insecticides

- Insoles
- Jars, canning
- Kitchenware, utensils
- Kitty litter
- Knee pads
- Laundry supplies (e.g. detergent, soap, starch)
- Leashes, pet
- Light bulbs
- Lighter fluid
- Lighters
- Linens
- Lip balms, non-medicated
- Long distance telephone debit cards
- Lotions - except medicated products when advertised or marketed as a product that treat, mitigate or prevent a human disease or disorder (lotions for dry or oily skin, beauty products, such as anti-aging cream, and cosmetics are taxable)
- Lunch bags, kits
- Lye
- Machine oil
- Magnets, includes therapeutic
- Makeup
- Makeup remover
- Maps – except maps in book form (see the Publications section on the Exempt list above)
- Markers – includes highlighters
- Matches
- Metal polish
- Moisturizers – unless medicated and advertised or marketed as a product that treats, mitigates or prevents a particular skin condition
- Mosquito coils
- Mothballs, naphthalene
- Mouthwash
- Movie and video rentals – including tapes, DVDs, discs
- Nail care products
- Nail polish
- Napkins – paper, cloth
- Nasal dilators
- Naval jelly
- Needle and syringe disposable containers
- Needles – unless purchased by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use
- Nipples – for baby bottles

- Notions (e.g. bobbins, buttons, elastic, knitting or sewing needles, pins, scissors)
- Nursers
- Nursing pads
- Nylons – except for children (see the Children’s Clothing section on the Exempt list above)
- Oil – automotive, machine
- Oils, essential
- Ornamental plants
- Oven cleaners
- Pacifiers
- Paint and paint brushes – unless purchased as exempt school supplies (see the School Supplies section on the Exempt list above)
- Paint cleaner
- Panty hose – see the Children’s Clothing section on the Exempt list above
- Paper (e.g. shelf, toilet, wax, wrapping, printer, lined)
- Paper bags, napkins, plates
- Paper towels
- Paraffin wax
- Party favours (e.g. bags, labels, ribbons, toys)
- Paste and glue – unless purchased as exempt school supplies (see the School Supplies section on the Exempt list above)
- Pens and pencils – unless purchased as exempt school supplies (see the School Supplies section on the Exempt list above)
- Perfume
- Pesticides – except when purchased by a qualifying farmer solely for a farm purpose
- Pet food
- Pet supplies
- Pet toys
- Photo albums
- Picnic supplies
- Pictures, picture frames
- Pillowcases
- Pillows
- Pipes, pipe cleaners, fillers
- Plant shine
- Planters
- Plants, non-edible
- Plastic wrap
- Plates – aluminum, paper
- Polish, shoe, floor, furniture, metal, automotive
- Postcards
- Pottery

- Price lists
- Prints, film or digital
- Prophylactics
- Publications – for promoting sales or leases of goods, real property or services
- Purses
- Rate books (e.g. accommodations, dining)
- Rattles
- Reading glasses, non-prescription
- Recipe cards
- Record albums
- Room sprays
- Rug/upholstery cleaners
- Salt, de-icing
- Salt – used domestically as water softener
- Scarves
- Scouring pads, metal, plastic
- Sewing notions (e.g. kits, needles, pins)
- Shampoo – except when advertised or marketed as a product to treat head lice
- Shaving supplies
- Shoe insoles
- Shoe laces, brushes, polish, dyes
- Shopping bags
- Shrubs
- Silver polish
- Skin creams and lotions – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (creams and lotions for dry or oily skin, beauty products, such as anti-aging cream, and cosmetics are taxable)
- Soap (e.g. bath, detergent, flakes, liquid, powder)
- Sports cards – including packages containing gum
- Sprinklers
- Stamp albums
- Starch – laundry, spray or liquid
- Stationery
- Steel wool
- Straws
- Sunglasses, non-prescription
- Sunscreen
- Suntan lotions, sprays, oils
- Swabs – cotton, ear
- Swim goggles

- Syringes – unless purchased by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use
- Tacks
- Talcs
- Tanning lotions, sprays
- Telephone long distance debit cards
- Terrariums
- Therapeutic magnets
- Thermometers
- Thumb tacks
- Tide tables – except when purchased by a qualifying fisherman
- Timetables (e.g. event, travel schedules)
- Tinware
- Tissues
- Tobacco papers, pouches, tubes
- Toilet bowl cleaner
- Toilet paper
- Toiletries (e.g. deodorants, shampoos)
- Tools
- Tooth brushes
- Toothpaste, tooth powders
- Toothpicks
- Toys
- Trees, ornamental – except natural, cut evergreens sold as Christmas trees
- Tropical plants
- Tourist guide publications that do not qualify as books – see the Publications section on the Exempt List above
- Umbrellas
- Utensils
- Velcro
- Video games – sales and rentals
- Video tapes, blank or recorded
- Washing soda
- Water glasses
- Watering cans
- Wave sets, hair
- Wax (e.g. canning, floor, candle)
- Wax paper
- Weed control chemicals – except when purchased by qualifying farmers
- Wipes
- Wrapping paper

- Writing materials
- Zippers

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
- Freestanding coolers and refrigerators
- Items you purchase to give away as free promotions (see below)
- Paper towels and toilet paper
- 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 the taxable items, 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 June, you must file the return and pay the PST no later than July 31.

If you purchase both exempt goods for resale and taxable goods you will use in your business as a single purchase, you need to tell your supplier which goods are exempt and which goods are taxable.

Goods for Resale or Lease

You are exempt from PST on the 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](#)).

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 equipment 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

Paying PST

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 example, you provide bags to their customers with their purchase of goods and charge 15¢ per bag. You must charge PST on the charge for the bags.

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

Goods Brought Into BC

You must pay PST if you purchase or lease taxable goods outside BC and bring, send or receive the goods in BC. You must pay PST on the total amount you pay to bring the goods into BC, 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, sent or received goods in BC.

For more information, see [Bulletin PST 310](#), *Goods Brought Into BC*.

Bonus Items

You may provide goods as bonus items with the purchase of other goods. For example, you may give your customer a bonus item when they purchase at least \$40 worth of cosmetics. For the purposes of the PST, these transactions are sales of both items.

If all of the items (e.g. purchased and provided as a bonus) are taxable goods (e.g. a hair brush provided with a purchase of a bottle of shampoo), you 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 (e.g. a ceramic plant pot and an exempt lavender plant), you are making a bundled sale. The general rule for charging PST on a bundled sale is that you charge PST only on the fair market value of the taxable portion. The fair market value is the price that a good or service would normally sell for in the open market.

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

Promotional Materials

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

You must pay PST on all taxable goods you purchase or make as promotional materials. For example, you must pay PST if you buy mugs or balloons you will give away to promote your business.

Promotional material on which you must pay PST also includes taxable goods you obtain to sell at a price below cost. For example, you purchase perfume at a cost of \$40 per bottle. In an effort to promote greater sales, you offer the perfume to preferred customers at a below cost price of \$30 per bottle. In this case, your customer pays PST on the \$30 purchase price of the perfume. In addition, on your next PST return, you need to self-assess PST based on the following formula:

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

$$(\$40 - \$30) \times 7\% = \$0.70 \text{ PST to self-assess}$$

Note: You do not need to self-assess PST on goods sold below cost if you are not selling the goods below cost for promotional purposes. For example, you purchased electronics at \$100 per item and attempted to sell them for \$150 per item. After some time, you decide to mark down the remaining items to \$75 per item before they become obsolete or because their value has decreased. In this case, your customer pays PST on the \$75 purchase price of the electronics but you do not need to self-assess any additional PST.

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

Refunds to Customers

As a collector, you may refund or credit your customers PST you charged and/or collected from them in certain circumstances. For more information on refunds and credits by collectors, see [Bulletin PST 400](#), *PST Refunds*.



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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

May 2018

- Clarified certain gift cards or gift certificates are taxable.
 - Clarified food products with less than 1% alcohol content are not taxable.
 - Clarified information in the sections Goods for Resale or Lease, Change in Use and Goods Brought into BC.
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References: *Provincial Sales Tax Act*, sections 1 “promotional distribution,” “promotional material,” 16, 26, 81, 137, 139, 141, 145, 147, 148 and 153; *Provincial Sales Tax Exemption and Refund Regulation*, sections 3-5, 7-17, 27, 32-35, 44-48, 51 and 52; *Provincial Sales Tax Regulation*, section 21.