

## **THE RETAIL SALES TAX ACT**

### **OPTOMETRISTS and OPTICIANS**

This bulletin has been prepared to help optometrists and opticians apply retail sales tax (RST) on their sales and on purchases for their own use.

#### **Section 1 – APPLICATION OF TAX ON SALES**

**Professional services**

- Professional services, such as eye examinations and eye care services provided by optometrists, opticians or other medical practitioners, are not subject to the 7 per cent RST.

**Exemption for optical appliances and drugs**

RST DOES NOT APPLY ON SALES OF:

- Optical appliances, such as eyeglasses and contact lenses, sold on prescription of an optometrist, optician or other medical practitioner
- Eyeglass and contact lens carrying cases sold together with the prescription eyewear
- **Clip-on sunglasses sold with prescription eyewear for a single price**
- Repairs for optical appliances sold on prescription
- Drugs for human-use sold on prescription (or dispensed on the order) of a medical practitioner

**Taxable sales**

EXAMPLES OF ITEMS THAT ARE SUBJECT TO RST:

- Non-prescription or cosmetic contact lenses, reading glasses and sunglasses
- Magnifying lenses
- **Clip-on sunglasses sold separately from prescription eyewear (either at a different time or itemized separately on the invoice)**
- Sunshields that fit over or behind prescription eyeglasses
- Contact lens fluids and solutions that are available over the counter (without a prescription), including:

Note: Revisions to contents of previous Bulletin (April 2002) have been identified by shading ( )

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- Cleaners, disinfectants and protein removers
  - Hydrating, lubricating, moisturizing and preserving solutions
  - Rinsing, saline, soaking and wetting solutions
  - Multi-purpose and one-step solutions
- Equipment such as telescopes, binoculars, magnifiers and cameras, or the lens for this type of equipment
  - Eyeglass and contact lens carrying cases when sold separately (but not when sold as part of prescription eyewear)
  - Non-prescription and patent drugs (over-the-counter drugs), such as eyedrops and antibiotic creams

## Section 2 – APPLICATION OF TAX ON PURCHASES

**Exempt purchases** OPTOMETRISTS AND OPTICIANS MAY PURCHASE THE FOLLOWING ITEMS RST EXEMPT:

- Goods and materials purchased for resale, or for incorporation into an optical appliance for sale, such as
  - Corrective eyewear and sunglasses
  - Lenses, eyeglass frames, anti-reflective and anti-glare coatings and sun-protection tints
  - Eyewear accessories, such as eyeglass leashes and self-repair kits
  - Eyeglass and contact lens carrying cases, including carrying cases that are provided to a patient as part of the sale of prescription eyewear
- Ophthalmic drugs (including over-the-counter drugs) purchased for resale or for use by an optometrist, optician or other medical practitioner directly to treat a patient

**Please note:** Over-the-counter drugs used by medical practitioners for treating patients qualify for an RST exemption. However, when these drugs are sold to your patients or other customers, you must collect the tax on the selling price.
- Materials that are consumed directly in manufacturing lenses and other goods for sale. These materials must come in direct contact with **and transform** the goods being produced during the manufacturing process. Some examples are:
  - Abrasives such as grinding wheels and discs
  - Polishing wheels and compounds
  - Cooling fluids and hardening powders
- Educational, technical and literary books/pamphlets. To qualify for the exemption, the books/pamphlets cannot contain advertising and must be bound with a permanent binding (i.e., the binding is stapled, glued or stitched) or in electronic form. Pamphlets that are single-leaf or fold-out are taxable.

**Taxable purchases**

OPTOMETRISTS AND OPTICIANS MUST PAY RST ON ITEMS PURCHASED OR LEASED FOR OWN USE, INCLUDING:

- Equipment and instruments used for testing vision, for example:
  - Auto refractor
  - Examining chair and unit
  - Fundus camera
  - Keratometer
  - Lensometer
  - Phoropter
  - Pupilometer
  - Projector and auto projector
  - Slit lamp/biomicroscope
  - Refractometer
  - Tonometer
  - Ultrasound devices
  - Visual field screener
- Hand-held medical instruments including retinoscope, ophthalmoscope, Volk lens, gonioscopic lens and trial lens sets
- Eye charts
- Needles, syringes or other apparatus used to administer drugs, medicines and anaesthetics
- Eye bandages, cotton and dressings, protectors, medical tape
- Lens cleaners, cloths, wipes, tissues, etc., except when used in direct contact with goods being manufactured
- Safety glasses, latex gloves, masks
- Equipment and instruments used to manufacture or service optical appliances, including
  - Lens gauges, lens meters, callipers
  - Lens edgers, polishing machines and tinting units
  - Tools and devices used to adjust or repair eyeglass frames
- Promotional or give-away items, such as charts for periodic home testing, sample care products, advertising brochures and newspaper inserts
- Parts and services for taxable equipment and instruments, including repair, maintenance and warranty contracts
- Office equipment and supplies, such as furniture and fixtures, display and storage units, computer hardware and software, stationery and miscellaneous office supplies

**Please note:** When taxable goods are acquired outside Manitoba, RST applies to the total charges in connection with the purchase, including the basic purchase price, transportation, currency exchange, brokerage and other related charges.

**Section 3 – REQUIREMENT TO BE REGISTERED**

- Optometrists and opticians are required to be registered for RST purposes if one or more of the following situations apply:
  - If you sell taxable goods. In this case you are required to collect RST and remit it to the Taxation Division on your RST returns.
  - If you manufacture optical appliances or purchase taxable goods for resale. In this case, you must quote your RST number to purchase the materials RST exempt.
  - If you purchase taxable goods for own use from suppliers who have not collected the RST (e.g., out-of-province suppliers). In this case, you are required to self-assess the tax and remit it to the Taxation Division on your RST return.
  
- Applications forms to register can be obtained from the Taxation Division offices or Web site listed at the end of this bulletin. The Taxation Division will mail a return to you, for remitting any RST payable, approximately 10 days before the due date.

**FURTHER INFORMATION**

This bulletin is intended to serve as a guideline and is not all-inclusive. For the specific wording of the law, please refer to the Act and Regulation stated below. Further information may be obtained from:

**Winnipeg Office**

Manitoba Finance  
Taxation Division  
101 - 401 York Avenue  
Winnipeg, Manitoba R3C 0P8  
Telephone (204) 945-5603  
Manitoba Toll Free 1-800-782-0318  
Fax (204) 948-2087  
E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)  
Web site: [www.gov.mb.ca/finance/taxation](http://www.gov.mb.ca/finance/taxation)

**Westman Regional Office**

Manitoba Finance  
Taxation Division  
349, 340 - 9th Street  
Brandon, Manitoba R7A 6C2  
Telephone (204) 726-6153  
Manitoba Toll Free 1-800-275-9290  
Fax (204) 726-6763

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**Principal References in Legislation:** *The Retail Sales Tax Act of Manitoba (C.C.S.M. c. R130) and Manitoba Regulation 75/88R.*