

Publications

About this Guide

The information in this *Guide* explains how Retail Sales Tax (RST) applies to publications such as books, magazines and newspapers. Please note that this *Guide* replaces the previous versions dated November 1996 and March 2001.

Books

Definition

Books qualify for exemption from RST if they:

- are bound
- are printed
- are published **solely** for educational, technical, cultural or literary purposes, **and**
- contain no advertising

Examples of Exempt Books

Examples of exempt books include:

- atlases
- colouring books
- dictionaries and encyclopedias
- knitting and crochet pattern books
- printed music in book form
- school year books
- textbooks

Crossword puzzles and comic books are exempt as books if they are published once only and do not contain any advertising. If published on a regular basis, they are considered to be magazines. See “Magazines” section of this *Guide*.

Binders

Ring or post binders sold **with** their contents may qualify as an exempt publication. If the contents qualify for exemption, no RST would apply to the unit, i.e., binder and contents. If the unit is exempt, then any pages that are printed and punched at a later date, for insertion in this unit, are also exempt. (These pages and original contents **only** qualify for exemption when they are **initially sold** with the binder.) RST is to be charged on binders that are sold **separately** from their contents.

Refunds

A refund may be claimed on exempt publications that are printed for own use. See “Artwork” section of this *Guide*.

Repairs

RST does not apply to parts and labour to repair or recondition an exempt book.

Magazines

Definition

For RST purposes, a magazine is defined as:

- a printed bound publication, issued annually or more frequently
- containing articles from various identified contributors, **and**
- may also contain pictures and advertising.

Examples of Exempt Magazines

Magazines that qualify for exemption from RST include those that are:

- distributed with a newspaper
- distributed free by “controlled” or “qualified” circulation (see below)
- distributed free to employees, shareholders, etc.
- issued free at theatres, cultural events, or sporting events
- purchased by subscription.

Controlled Distribution

The term “controlled” or “qualified” circulation applies to magazines that are given away free of charge to the final consumer, not magazines distributed by paid subscription. If the magazine is mailed to specific individuals or companies based on a mailing list, or delivered door-to-door in a specific area, etc., then, for RST purposes, the circulation of the magazine is considered to be controlled or pre-determined by the publisher.

If the public can help themselves to a free magazine that is placed on a counter or newsstand, or handed out on a corner to those passing by, the distribution of the publication is not being controlled. The magazine is merely being given to whoever happens to be at “the right place at the right time” and there is no way for the publisher to know who obtained the magazine. In this case, the magazine does not qualify for exemption since its distribution is not “controlled” or “qualified”, and it is not being sold by subscription.

Excluded Magazines

Magazines **do not include** newspapers, newsletters and bulletins, and any publications that are specifically excluded from the exemption for books (see “Taxable Publications” section of this guide). In addition, magazines sold through **retail** locations, such as stores, newsstands, flea markets, etc., are taxable

Newsletters and Bulletins

Definition

Newsletters and bulletins qualify for exemption from RST if they:

- are printed
- are produced by or for a group, club, society, or organization for the interest of its members
- contain information or literary matter of a non-promotional nature, **and**
- do not contain paid advertising.

Newsletters and bulletins may be printed on single sheets of paper which may be folded and may be a bound or unbound publication.

Newspapers

Definition

Newspapers qualify for exemption from RST if they:

- are unbound printed publications that are usually issued daily or weekly, **and**
- contain news, advertising and literary matter.

Microfilm copies or editions of newspapers are taxable.

Advertising Sections and Features

For RST purposes, the definition of exempt newspapers includes those advertising sections or features that form an integral part of the newspaper. To be exempt, newspaper advertising sections or features must identify the newspaper name and issue date on their pages and must be printed by or for the newspaper publisher for **exclusive** distribution in that newspaper.

Advertising Supplements and Inserts

If an advertising insert or supplement does not meet the above conditions of an “advertising section or feature”, RST must be paid on the insert or supplement. Advertising supplements and inserts include catalogues, flyers, pamphlets, coupon books and publications that serve as programs for cultural, entertainment, sporting or similar events.

If an advertising insert or supplement is taxable, the tax status will not be affected even if it is distributed with newspapers or in other ways such as door-to-door or in stores. Also taxable are the envelopes, wrappers, folders and other covering used for distributing this promotional material. However, magazines that are published and distributed with a newspaper are exempt.

Religious , Charitable and Benevolent Publications

A religious, charitable or benevolent organization means any organization defined as a “registered charity” by the federal government under subsection 248(1) of the *Income Tax Act* (Canada) and which holds a charitable registration number issued by Canada Customs & Revenue Agency.

Publications of a religious, charitable or benevolent organization that qualify for exemption from RST include:

- bibles, scriptures, sacred writings of all faiths, missals, prayer books, hymn books, pamphlets, booklets and similar printed matter published solely for the promotion of religion
- church calendars, hymn and mass cards, photographs, paintings, drawings, mottoes and similar artwork produced solely for the promotion of religion including any negatives and printing plates made to produce printed materials
- films, filmstrips, videotapes and videodiscs purchased by a religious, charitable or benevolent organization, if used to promote its objectives and not for commercial exhibition or profit
- printed instructional materials purchased for use and not resale by a religious, charitable or benevolent organization.

Materials such as directories, price lists, stationery and forms are taxable. For more information on how RST applies to qualifying organizations, see ***RST Guide 806 - Religious, Charitable and Benevolent Organizations***

School and Library Publications

A school, school board, or university, including community college, as defined under the *Retail Sales Tax Act* or a public library administered under the *Public Libraries Act* can purchase “school and library publications” exempt from RST. For RST purposes, “school and library publications” include the following only, **provided** the contents are of an educational nature and will not be used for commercial exhibition or profit:

- audio tapes, audio discs
- CD-ROM format publications
- films and filmstrips
- phonograph records
- talking books
- video tapes and video discs
- 35MM slides

Written material, microfilms, microfiche, or equipment to play or show the films, filmstrips, audio tapes, audio discs, video tapes and video discs do not qualify for exemption.

Artwork

Artwork, designs, photographs, etc. can be purchased exempt from RST if used in the manufacture or production of exempt printed matter. If RST is paid on these items, a refund can be claimed from the Branch if the printed publication qualifies for exemption. If a ruling is required to determine if a publication qualifies for exemption, a sample copy should be sent to Tax Advisory, Retail Sales Tax Branch, 33 King Street West, Oshawa, Ontario, L1H 8H5.

RST Guide 402 - Printing, provides details on the calculation of RST on taxable publications produced for own use.

Taxable Publications

- albums for collecting photographs, autographs, stickers, stamps or coins
- blank exercise books, drawing or workbooks
- books ruled for accounting or bookkeeping purposes
- calendars
- catalogues, including clothing pattern catalogues
- directories (Note: Historical or genealogical reference listings are **tax-exempt** directories for RST purposes).
- financial reports
- price lists
- programs
- rate books (**not** including standard ready-reckoners and amortization tables)
- school calendars
- sheet music and blank books ruled for music
- timetables
- unbound publications such as maps, brochures, pamphlets, leaflets and folders.

For Further Information

For further information, please contact the nearest Ontario Ministry of Finance Tax Office listed in the blue pages of your telephone directory, call our TAX FAX service at 1-877-4-TAX-FAX (1-877-482-9329), or visit our Web site at www.trd.fin.gov.on.ca.