

## Completing the Tax Return Form

### *Social Service Tax Act*

The *Social Service Tax Return* (**FIN 400**) is designed to help you calculate and remit social service tax, also called the provincial sales tax (PST), correctly and on time. This bulletin will guide you through filling out the return.

A full copy of the tax return is attached to the back of this bulletin for your reference. It has three main parts.

- **Information:** The top portion of the front of the form provides with you important information – please read it.
- **Worksheet:** The back portion of the form gives you a worksheet to calculate the amount of tax you need to remit. It also allows you to work out the commission you have earned.
- **Remittance Form:** The bottom tear-off Remittance Form is what you complete and send in with your payment. Remember, the tax return is only for tax collected or payable during the reporting period, as well as any tax you need to self-assess and remit on purchases for own use on which tax was not paid. Any other payments, for example, an account payment, must be reported and paid separately.

You can also file your return and make your payment through your bank by using the online electronic filing service. More information is provided at the end of this bulletin.

For general PST information that applies to all businesses, such as who needs to register, when general exemptions apply, and how to charge and collect the PST, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#).

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations can be found on the web at [www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr)

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### **INFORMATION ON THE FRONT OF THE FORM**

Please take time to read **all** of the information on the front of the *Social Service Tax Return*. Not doing so could result in costly errors.

#### **The Business Number**

The top of the *Social Service Tax Return* contains a space in which the Business Number (BN) appears. Each business is assigned a common BN that identifies the business and its various accounts. If the BN does not appear in this space, a number will be assigned to you shortly.

This number will appear on correspondence from us. You may also quote the BN when communicating with any participating government agency.

For a list of participating agencies and additional information, please visit our website at [www.sbr.gov.bc.ca/ctb/SingleBusinessNumber.htm](http://www.sbr.gov.bc.ca/ctb/SingleBusinessNumber.htm)

## Due Date

The due date is printed on the tax return next to the large black arrow. If the due date falls on a weekend or a statutory holiday in the province of British Columbia, the return and payment must be received before the close of business on the first business day following the due date. Your return and the tax due needs to be remitted by this date or you will be charged interest and your commission will not be allowed. You may also be charged a penalty. See the tax return for more information about penalties.

## Getting Help

The tax return gives you phone numbers to call if you need help. It also refers you to the Consumer Taxation Branch website at [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb)

## Printed Messages

A printed message appears on the left part of the form. This message might be of a general nature intended for all vendors, or it might be specific to those in your type of business. This message provides you with useful updates, important changes, and various tips that will help you avoid costly tax errors. It is important that you read it carefully each month.

## Nil Return – No Tax Due?

You are required to complete and send in your tax return even if you did not make any taxable sales. In this case, when completing your Remittance Form, enter your total sales in **Box A** (enter zero if no sales) and enter "NIL" in the Total Amount Due box - **Box K**.

If you fail to complete the return, an estimated assessment will be issued. When faxing a nil return, make sure to fax **both** sides with your registration number written on both sides. **Financial institutions are not able to accept nil returns.**

If you are filing nil returns often, please consider contacting us to have your return period lengthened.

## No Tax Return?

If a tax return form containing your business information does not reach you by the time your remittance is due, you are still responsible for reporting your sales and leases and submitting the tax owing by the due date. Complete a copy of your return providing all the information normally shown on the

form, including your registration number and return period.

Blank returns are available on our website. However, **financial institutions are not able to accept tax returns printed from the Internet** because these web-based forms do not include the bar coding needed by banks to process the return.

## COMPLETING THE WORKSHEET

The worksheet will help you avoid costly and time-consuming errors. Once completed, it becomes a copy for your records. There are five steps to follow.

### STEP 1

#### Total Sales

Enter the total amount (not including GST or other taxes) of **all sales and leases**, taxable and non-taxable, made during the reporting period in **Box A**, including:

- sales on which you are required to collect the tax under the *Social Service Tax Act*, including sales for cash and credit
- sales on which you are required to collect environmental levies under the Act
- sales of propane, regardless of which Act they are taxed under
- conditional sales, including sales on instalments
- sales that are not taxable under the Act
- any other transaction defined as a "sale" in the Act

### STEP 2

#### Tax Collectable on Sales

Calculate the total amount of tax that should have been collected on sales and leases (current tax rates are available on our website at [www.sbr.gov.bc.ca/ctb/TaxRates.htm](http://www.sbr.gov.bc.ca/ctb/TaxRates.htm)). Where you are entitled to an internal tax account adjustment (please see the section, "Internal Tax Account Adjustments"), subtract the total amount of the adjustment from the total tax collectable on sales and enter the resulting amount in **Box B**. The tax collectable on sales includes the following amounts:

- the total tax collected on sales and leases in the reporting period

- the total tax that should have been collected (e.g., credit sales) on sales and leases during the reporting period
- the total environmental levies collectable on new pneumatic tires and new lead-acid batteries during the reporting period
- the total tax collectable on propane, regardless of which Act it is taxed under

### Vendor's Commission

Once you know how much tax was collectable on your sales, you can determine the amount of your commission by referring to this section on the worksheet. Enter your commission in **Box C**.

**You can claim a commission only if your return is filed, and the tax collectable is paid in full, by the due date shown on the front of the tax return.**

You can claim only one commission per legal entity even if you have more than one location and more than one tax return being sent to you. Your commission is calculated on the combined tax from all locations for the legal entity.

Vendors with multiple registrations may find it easier to consolidate all individually registered locations. Under a consolidated account, only one tax return form per reporting period is required to report the sales and taxes collected for all locations of that vendor.

If you think consolidation would benefit you, please contact us at 604 660-4524 in Vancouver, or toll free at 1 877 388-4440 outside Vancouver.

### Net Tax Due on Sales

Subtract your commission from the amount recorded in **Box B** and enter the resulting amount in **Box D**.

### STEP 3

#### Purchase Price of Taxable Goods

Your business must pay tax on **everything you use** in conducting your business (unless specifically exempted under the Act). This includes, for example, desks, calculators, stationery, cash registers, and other materials. If you have not paid tax on any of the following, you must report the total purchase price in **Box E**.

- Items purchased or leased without payment of tax or levies, and subsequently taken out of stock for personal or business use.

- Items purchased for business use, but on which tax was not paid.
- Items taken out of stock or purchased for promotional distribution.
- Equipment or supplies brought into British Columbia for your business use in the province (the taxable value includes any processing, manufacturing, delivery, customs duties, or other costs and expenses incurred before use in the province, but does not include GST or environmental levies).

### Tax Due on Purchases for Own Use

Calculate the amount of tax due on the purchase price or lease price of goods reported in **Box E** and enter this amount in **Box F**. Commission does not apply to tax payable on purchases and leases for your own business or personal use.

### Tax Payable Before Adjustments

Enter the sum of net tax due on sales (**Box D**) and tax due on purchases for own use (**Box F**) in **Box G**.

### STEP 4

#### Adjustments

With the exception of internal adjustments (see below), there are only two adjustments that you may use on your tax return to reduce the tax due. These adjustments are recorded in boxes H and/or I on the tax return form.

Documentation substantiating adjustments must be retained for inspection and audit.

**Box H** Enter the amount of tax that you remitted on goods sold that were returned to you within 90 days, where you provided the customer with a credit or refund for tax paid.

**More Info:** [Bulletin SST 079](#), *Application of Tax and Environmental Levies to Service Charges, Merchandise Traded In, Cash Discounts, Discount Coupons, and Returned Merchandise*

**Box I** Enter the amount of tax you remitted on goods sold on credit, where the debt was written off.

**More Info:** [Bulletin GEN 001](#), *Refund of Tax Remitted on Sales Written Off as 'Bad Debts'*

**Box J** Enter the total amount of the adjustment(s) being made.

**No other adjustments may be taken in Step 4 of the tax return. However, you may make an “internal adjustment” to your tax account in certain circumstances. For further information, refer to the section on “Internal Tax Account Adjustments” in this bulletin.**

## STEP 5

### Total Amount Due

Subtract the net amount of adjustments being made (**Box J**) from the tax payable before adjustments (**Box G**). Enter the resulting amount in **Box K**. This represents the amount of tax and levies due, which must be enclosed with the tax return form. Please ensure you write your registration number on your cheque.

## INTERNAL TAX ACCOUNT ADJUSTMENTS

Internal adjustments can only be taken with respect to overpayments occurring within the **current tax return period and the period immediately prior to the current tax period**.

For example, if you file your tax return monthly, you can only use internal tax account adjustments for the two calendar months prior to the end of the reporting period covered by your return.

**If you have made an overpayment prior to these reporting periods, you must apply to us for a refund.**

**More Info:** [Bulletin GEN 008](#), *Refunds of Overpayment of Tax*

Internal adjustments to your tax account may be taken **only** in the circumstances discussed below.

When you are entitled to take an internal tax account adjustment, subtract the adjustment amount from the amount of tax collectable on sales and enter the total in **Box B**.

**Do not use boxes H or I. These are to be used only for the purposes indicated.**

**Please note:** You cannot reduce the tax remittable to below zero. If your adjustments are greater than the tax due, you must apply for a refund from the Consumer Taxation Branch.

## Tax Charged in Error and Subsequently Returned to the Customer

Where you have incorrectly charged tax and then refunded it to the person who paid the tax, you may take an internal adjustment of that amount. This may include tax incorrectly charged on your sales of tax-exempt items (e.g., children’s clothing) or items you have sold to individuals entitled to an exemption (e.g., qualifying First Nations persons, *bona fide* farmers, fishers, and aquaculturists).

### Too Much Tax Collected

Where you have charged too much tax due to a mathematical error, or through calculating social service tax on a GST-included price, and you have returned the tax to the purchaser, you may make an internal adjustment in the amount of tax over-collected.

### Vendor Paid Tax in Error

You will occasionally purchase goods for resale and be charged and/or pay tax incorrectly when you should not have paid tax. In addition, new businesses will often pay tax on purchases of goods for resale before they register and receive a vendor registration number.

If you have paid tax in error, you can make an internal adjustment to the amount of the tax you paid in these two circumstances.

### Price Adjustment to Customer

Where you have adjusted a price for a customer, for example on goods sold immediately prior to a sale and the customer has requested the sale price, you may make an internal adjustment in the amount of the tax you refunded. This also applies where you reduce a price as an incentive to a purchaser after the account had been paid.

## DOCUMENTING INTERNAL ADJUSTMENTS

Proper accounting techniques and practices must be followed in taking the above internal adjustments. You must keep all documentation to justify the adjustments, including an explanation for why the adjustment was made. If such documentation is not available for inspection or audit, you will be liable for an assessment of tax, interest, and penalty, where applicable.

If you have any doubts about whether you should take an internal tax account adjustment, please contact the Consumer Taxation Branch.

**If you believe you have overpaid tax in circumstances where adjustments are not allowed in Step 4 of the tax return or through an internal tax adjustment as outlined above, you must apply separately for a refund from the Consumer Taxation Branch.**

**More Info:** [Bulletin GEN 008](#), *Refunds of Overpayment of Tax*

## COMPLETING THE REMITTANCE FORM

### Completing the Form

The Remittance Form is the part you detach and send in with your payment. It must contain complete information. On the back of the form, simply copy the figures you entered in boxes A, B, C, E, F, H, I, J and K, from your worksheet onto the Remittance Form.

**Be sure to enter the amount paid on the front of the remittance form. This is the amount you are remitting.**

Check the date that is entered in the Period Covered section. If your return is not for the full month(s) indicated, state the period you are reporting. Include a start and end date in the space provided on the form.

### Certification

When you have completed the Remittance Form and calculated the tax due and payable, complete and sign the certification section.

### Closing or Selling Your Business

If you have permanently discontinued or sold your business, you **must** check the “**Business Closed**” box on the front of the remittance form and provide the information requested.

Your *Certificate of Registration* must be returned to the Commissioner, Social Service Tax, within 15 days from the date of the sale or discontinuance of your business.

**If you do *not* do these things, you will continue to receive tax returns from us. If you do not properly close your account, you must continue to file a return.**

## REMITTING TAX AT A FINANCIAL INSTITUTION

PST may be remitted through certain Canadian banks, credit unions, and trust companies. Please check with your financial institution to find out if this is a service it offers.

**Please Note:** Financial Institutions can only process original copies of the tax return (i.e., the copy you receive in the mail). **They cannot process copies printed from the Consumer Taxation Branch website.** These must be sent directly to the branch.

### Fees

Your financial institution may charge a fee for accepting your tax payment. If there is a fee, it must be paid separately. It cannot be added to the tax remittance paid, nor can it be deducted from the amount of tax due.

### Present the Whole Tax Return

Both the remittance form portion and the worksheet must be stamped and you will receive the worksheet portion back as a receipt. The Remittance Form section will be sent to the Ministry of Small Business and Revenue for processing to your account.

### Ensure Your Return Is Stamped as Being on Time

If you are remitting tax on the due date, you must ensure that the correct date is stamped on your return. After a certain time of day, banks may date their work as though it were processed on the next business day. If this occurs, your return will be considered late.

Payments made through an automatic bank machine are stamped as of the day they are processed, which may be the next business day. For this reason, **you should not use automated bank machines** when making a payment near the due date.

### Nil Returns

Nil returns (returns where no tax is due) cannot be processed by a financial institution.



## RETENTION OF RECORDS

### Record Keeping

Anyone who is required to collect or pay tax under the Act must keep books of account, records and documents required under the Act. These records must be kept for a period of seven years.

If you make a written application to the commissioner for permission to destroy a book of account, record or document, the commissioner may authorize the requested destruction prior to the expiry of this seven year period.

## FILING YOUR RETURN ELECTRONICALLY

You may choose to file your tax return and make your payment electronically through one of the following participating banks:

- Royal Bank
- Canadian Imperial Bank of Commerce
- Bank of Montreal
- Toronto-Dominion
- HSBC
- Scotiabank

For more information, and to enrol for the online service, please contact your bank directly.

## Benefits of Online Tax Payments

Online filing and payment of your tax return provides you with a number of benefits. These include:

- convenience and reliability
- filing from the comfort of your home or place of business
- ability to make payments 7 days a week, 24 hours a day
- payments are quick and secure
- reduction of cheque processing, postage and other administrative costs
- individual access can be tailored to suit your own business needs

For more information about making your payments electronically, please visit our website at [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb)

### NEED MORE INFO?

**This bulletin is provided for convenience and guidance. If you still have questions call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440 elsewhere in Canada or refer to the legislation.**

**Information is also on the web at [www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr) While there, you can subscribe to our free electronic update service.**

**References:** *Social Service Tax Act*, Sections 1, 5, 20, 92, 95, 96, 97, 98, 117 and Regulations 4.1, 4.5, 5.1, 5.2, 5.4, 5.8, 5.9, 5.11

## SOCIAL SERVICE TAX RETURN

Under the *Social Service Tax Act*

SAMPLE

Important tax messages will be printed in this space.

Please take the time to read them.

If you have any questions about how to complete this new tax return form, please do not hesitate to contact the Consumer Taxation Branch.

Thank you.

**Freedom of Information and Protection of Privacy Act (FOIPPA)**

The personal information on this form is collected for the purpose of administering the *Social Service Tax Act* under the authority of both this Act and section 26 of the FOIPPA. Questions about the collection or use of this information can be directed to the Information and Privacy Analyst, FOI Section, Ministry of Small Business and Revenue, PO Box 9432 Stn Prov Govt, Victoria, BC V8W 9N6. (Telephone: Victoria at 250 953-3671, Vancouver at 604 660-2421 or toll-free at 1 800 663-7867 and ask to be re-directed.) Email: FOI.QRYS@gov.bc.ca

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DETACH HERE AND FORWARD WITH YOUR PAYMENT

Business Number	
Registration Number	
<b>DUE DATE</b>	
To avoid penalty & interest, see below	
Period Covered	

- Questions?**  
Call the Consumer Taxation Branch:  
In Vancouver 604 660-4524  
Outside of Vancouver 1 877-388-4440
- Refer to Bulletin SST 032 for instructions on completing the tax return. It is available from any branch office or on our Web site: [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb)
- Mail the Remittance Form, your payment, and any required documentation to:  
The Commissioner, Social Service Tax  
PO Box 9443 Stn Prov Govt, Victoria BC V8W 9W7

**NO Tax Collectable in this Period?**

**You Must Still File a "NIL" Return.**

Mail or fax (250 356-1330) **both sides** of this Remittance Form to the branch. Financial institutions WILL NOT accept "NIL" returns.

**To Avoid Penalty and Interest:**

For your return to be considered on time, the following is required:

- mailed returns with payment must be postmarked on or before the due date; OR
- if not mailed, returns with payment must be received and date stamped by a Consumer Taxation Branch, Government Agents office, or accepting Canadian financial institution on or before the due date.

In all cases, payments must be negotiable on or before the due date. Returns paid at financial institutions on the due date that are date stamped the next business day will be considered late.

If your tax return is late, you may be assessed a penalty equal to 10% of the tax due. Commission will be disallowed and interest assessed. If you do not receive a tax return for a reporting period, you still must pay your taxes by the due date. Provide all information normally provided on the return. A blank form is available on our Web site at: [www.sbr.gov.bc.ca/ctb/forms.htm](http://www.sbr.gov.bc.ca/ctb/forms.htm)

**Commission Eligibility:**

Each business (legal entity) may claim only one commission for each reporting period, even if it has more than one registration number and files more than one tax return. Claim the commission only on the registration number specified by the branch.

### Remittance Form SOCIAL SERVICE TAX RETURN

Registration Number	
<b>DUE DATE</b>	
To avoid penalty & interest, see above	
Period Covered	
If filing period is different, enter the correct period	mm / dd / yy to mm / dd / yy
ENTER AMOUNT PAID	\$ <span style="font-size: 24pt;"> </span>

**Payable at most Canadian Financial Institutions**  
Make cheque or money order payable to Minister of Finance

(OVER)

**Business Closed – permanently or temporarily?**

**YES? Check the box and do the following:**

- **Notify us that you have closed your business** or you will continue to receive tax returns that you must file even if no tax is due. If you DO NOT file the returns, you will be assessed for the estimated tax collected, penalty and interest.
- **Please mail or fax (250 356-2195) the following information:**  
1) vendor name and registration number; 2) date of closure; 3) reason for closure; and 4) if sold, provide name, address, and phone number of purchaser.

**NO Tax Collectable in this Period?** You must still file a "NIL" return. See above for more details.

Complete both sides of Remittance Form

# Social Service Tax Return Worksheet

## STEP 1 Total Sales

Enter your taxable, non-taxable, and exempt sales in Box A. This includes in-province and out-of-province sales.

Total Sales  
A

## STEP 2 Tax Collectable on Sales

\*NIL\* Return: You must file this return even if NO tax was collectable. You can mail or fax (250-356-1330) both sides of the Remittance Form. Write your registration number on all pages.

Enter all tax that you have collected or should have collected (e.g., credit sales) in Box B. This includes tire and battery levies. Refer to Bulletin 032 for details regarding what to include on this line.

Tax Collectable on Sales  
B

**Commission** (To deduct commission, you must submit your return and pay in full by the due date.)

If Box B is . . .

\$11.00 or less  
\$11.01 – \$333.33  
More than \$333.33

Enter in Box C . . .

Amount of tax collectable  
\$11.00  
3.3% of tax collectable. Maximum amount is \$99.00

Commission  
C

$B - C = D$   
D

## Net Tax Due on Sales

## STEP 3 Purchase Price of Taxable Goods

Used for vendor's consumption on which NO social service tax has been paid. Enter this amount in Box E

Purchase Price of Taxable Goods  
E

## Tax Due on Purchases

Enter tax on vendor's consumption purchases in Box F

Tax Due on Purchases  
F

$D + F = G$   
G

## Tax Payable Before Adjustments

## STEP 4 Adjustments

Only two adjustments can be taken. Any others will be disallowed. Check the applicable box(es) and enter the appropriate amount(s). You must keep documentation supporting each adjustment, for audit purposes. You must provide the documentation on request.

- Goods Returned within 90 Days  
 Bad Debt Write-Off

H  
I

$H + I = J$   
J

## Total Adjustments

## STEP 5 Total Amount Due (Enter the amount paid on front of Remittance Form)

**Make cheque or money order payable to:**  
Minister of Finance

A \$20 fee will be charged for dishonoured cheques.

$G - J = K$   
K

Please proceed to Remittance Form below and fill in information from worksheet as directed

## REMITTANCE FORM – Summary from Social Service Tax Return Worksheet

Please write your Registration No.

R

Teller Date Stamp

Total Sales (Enter amount from Box A)

A

Tax Collectable on Sales (Enter amount from Box B)

B

Commission (Enter amount from Box C)

C

Purchase Price of Taxable Goods for Vendor's Consumption (Enter amount from Box E)

E

Tax Due on Purchases (Enter amount from Box F)

F

Adjustments (Enter amounts from Boxes H, I & J)

- For Office Use  Goods Returned within 90 Days  
 Bad Debt Write-Off

H  
I

J

Total Amount Due (Enter amount from Box K)

K

CERTIFICATION: I certify that the information I have provided on this form is true and correct, knowing that there are penalties for false statements.

Signature: X \_\_\_\_\_ Print Name: \_\_\_\_\_ Daytime Telephone: ( ) \_\_\_\_\_