

Book, Magazine and Newspaper Retailers

Social Service Tax Act

Do you sell books, magazines, newspapers or other publications?

Do you know how tax applies to your sales and purchases?

This bulletin provides specific tax information to help retailers who sell books, magazines, newspapers or other publications understand how the social service tax, also called the provincial sales tax (PST), applies to their businesses.

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 \(PST\)](#).

Sales

When to Charge PST

You charge PST on sales of the following new or used items:

- publications that have a primary purpose of advertising the sale or lease of real property, goods or services, such as catalogues, directories and publications consisting mostly of classified advertisements,
- publications sold on disc or tape, and
- books, magazines, periodicals and newspapers that do not meet the requirements for an exemption (see section below, When Not to Charge PST).

When Not to Charge PST

You do not charge PST on sales of the following new or used publications, when they meet the requirements for the exemption as outlined below.

- **Books.** Books are not taxable when they are published solely for educational, technical, cultural or literary purposes. To qualify for the exemption, a book must be printed and bound, must have a distinct cover and must not contain

advertising. 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. A publication in the form of printed loose-leaf sheets inserted into a ringed binder may qualify as a book if it meets the content requirements.

- **Magazines and periodicals.** These publications are not taxable if they are published at regular intervals each year by professional bodies, trade or industrial organizations, commercial publishing firms or non-profit corporations, in a magazine or periodical format, and if at least 10% of the content qualifies as technical, literary, editorial or pictorial information.
- **Newspapers.** A newspaper is not taxable if it is printed and unbound in a newspaper format, published at regular intervals each year, and if at least 20% of the content qualifies as editorial, news or articles of local or common interest.

For more information on qualifying content and how to calculate the percentage of qualifying content in a magazine, periodical or newspaper, please see [Bulletin SST 036, *Publications: Books, Magazines, Periodicals and Newspapers*](#).

For general lists of taxable and non-taxable items sold by retailers of books, magazines, newspapers or other publications, please see our website at www.sbr.gov.bc.ca/ctb/Bookseller.htm

If you sell school supplies, such as pens, pencils and paper, please see [Bulletin SST 012, *School Supplies*](#).

Out-of-Province Sales

You do not charge PST on taxable goods that you ship to an out-of-province location. To show why you did not charge PST, your records must show that you shipped the goods out of the province.

Sales to Other Retailers

You do not charge PST on taxable goods sold to other retailers if they provide their PST registration number. When you sell to other retailers, you record their PST registration number on each invoice and keep it in your records to show why you did not charge PST.

Bundled Goods and Services

When a non-taxable good or service – such as a music book– is bundled together with a taxable good or service – such as a CD– and sold together for a single price,

you charge PST only on the fair market value of the taxable good or service. However, there are some exceptions if the price is \$500 or less. For details, please see [Bulletin SST 119](#), *Bundled Sales: Taxable and Non-taxable Goods or Services Sold Together for a Single Price*.

Purchases

When to Pay PST

You pay PST on the purchase or lease of new or used goods that you use in your business, such as:

- stationery, furniture and office equipment,
- advertising materials, such as flyers and brochures,
- free promotional items, and
- computer hardware and software (unless custom software).

If the supplier does not charge you PST on the above items, you self-assess and record the PST due at Step 3 of your next tax return.

When Not to Pay PST

You do not pay PST on the following:

- items you purchase for resale or lease to your customers, and
- containers, labels or packaging materials that are included with your sales at no extra charge to your customers.

To purchase the above items without paying PST, give the supplier your PST registration number.

If you take taxable items from your resale inventory for business or personal use, you self-assess PST on your cost of the items.

Purchases from Out-of-Province Suppliers

If you purchase taxable goods from an out-of-province supplier, you pay PST on the total amount that you pay to bring the goods into British Columbia, including charges for transportation, customs, excise, and any other costs, except the goods and services tax (GST). If the supplier does not charge you PST, you self-assess and record the PST due at Step 3 of your next tax return.

Need more info?

Book, Magazine and Newspaper Retailers website:

www.sbr.gov.bc.ca/ctb/Bookseller.htm

Telephone (Vancouver): 604 660-4524

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/ctb

Acknowledgments

This bulletin has been prepared in consultation with industry representatives. We wish to acknowledge and thank the *BC Booksellers' Association* for their input. By working with us, they help us better serve their members and work towards making British Columbia the best place to do business.

References: *Social Service Tax Act*, Sections 1, 72(1)(a), 72(1)(b), 72(2), 77, 78 and 79, and Regulations 2.27, 2.28, 2.29, 2.30, 12 and 12.1