

## DO I NEED TO REGISTER TO COLLECT PST?

Out-of-province businesses who regularly sell goods or services to British Columbia purchasers are required to register as a vendor.

More Info: Bulletin [SST 044](#),  
*Do I Need to Register as a Vendor?*

## HOW CAN I GET MORE INFORMATION?

For answers to your PST questions, call us. We're open for business 8:30 to 4:30 Monday to Friday.

Call us toll-free at  
**1 877 388-4440**  
from anywhere in Canada.

## ONLINE SERVICES

*Do you need specific information?*  
*Do you need a form or a bulletin?*

You'll find these and more at:  
[www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr)

If you can't find what you are looking for,  
or need an answer to a tax question e-mail  
[CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)  
and we'll get right back to you.

[www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr)

September 2006



# Out-of-Province Businesses

*in the Oil and Gas Industry*



# Welcome to British Columbia

## ARE YOU UNSURE ABOUT HOW BRITISH COLUMBIA SALES TAX AFFECTS YOUR BUSINESS?

As an out-of-province service provider in British Columbia's oil and gas industry, there are some things you should know. This pamphlet, provided by the Ministry of Small Business and Revenue, contains valuable information about how social service tax (PST) affects you.

## WHAT IS THE SOCIAL SERVICE TAX?

Social service tax (PST) is a 7% retail sales tax that is added to the price of goods and services sold in British Columbia. This tax also applies to goods brought into the province.

British Columbia businesses pay PST on equipment and supplies they use in their business, purchased in or outside of the province, unless the item is specifically exempted from tax. They also collect PST when they sell goods and some services to others.

## DO I HAVE TO PAY PST ON EQUIPMENT AND SUPPLIES USED IN BRITISH COLUMBIA?

Out-of-province businesses working in British Columbia have to pay PST on equipment and supplies, unless the item is specifically exempted from tax. This includes goods purchased in British Columbia as well as the equipment you bring with you into the province. Some taxable items are:

- > vehicles
- > ATVs
- > industrial machines
- > computers
- > tools
- > parts and supplies

If you bring equipment and supplies into British Columbia, PST is due on the day the goods enter the province. If you will be taking the equipment out of the province when you complete your job, the 1/3 temporary use formula may be used to calculate what is due. Equipment and supplies that stay in British Columbia are fully taxable.

More Info: Bulletin [SST 098](#), *Equipment Brought into the Province for Temporary Use (1/3 Formula)*

## IS THERE TAX ON EVERYTHING BROUGHT INTO BRITISH COLUMBIA?

Equipment used in British Columbia for less than 6 days in total in any 12-month period is not taxable.

Eligible production machinery and equipment is exempt from tax when brought into the province for use in the petroleum and natural gas industries. Some equipment used in geophysical surveying is also exempt.

More Info: [www.sbr.gov.bc.ca/ctb/OilandGas.htm](http://www.sbr.gov.bc.ca/ctb/OilandGas.htm)

## DO I HAVE TO COLLECT PST?

If you sell services in British Columbia you may have to add PST to the price. Services to install, assemble, dismantle, repair, adjust, restore, recondition, refinish, or maintain goods are all taxable. Examples include:

- > welding
- > painting
- > repairing vehicles
- > rebuilding equipment
- > assembling portable buildings

Services to exempt production machinery and equipment are not taxable, including:

- > petroleum and natural gas drilling rigs
- > equipment used for well logging and drill stem testing
- > cementing and fracturing equipment
- > truck-mounted well service rigs

Services to real property are not taxable, including:

- > road building
- > site preparation
- > fracturing and acidizing
- > constructing and maintaining buildings

More Info: Bulletin [SST 018](#), *Taxable Services*

Please note: You do not charge tax on services or parts for tax exempt production machinery and equipment used in the petroleum and natural gas industries.

