

Grocery and Drug Stores

Social Service Tax Act

Do you operate a grocery or drug store?

Do you need to know how PST applies to your business?

This bulletin provides specific tax information to help grocery and drug store retailers 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 \(PST\)](#).

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Sales

You charge PST on the sale or lease of many goods, such as shampoos, conditioners, mouthwash, breath sprays and rug shampooer rentals. However, you do not charge PST on the sale of many other goods, such as food for human consumption, drugs prescribed by a physician or dentist, pain relief medicines and vitamins.

For a list of non-taxable and taxable items commonly sold in grocery and drug stores, please see the lists below.

Sales to Out-of-Province Customers

If you sell to out-of-province customers and ship the goods to an out-of-province location, you do not charge PST. To show why you did not charge PST, your records must show that the goods were shipped out of the province.

Sales to Other Retailers

You do not charge PST on 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.

Non-Taxable List

This is a list of non-taxable items commonly sold in grocery and drug stores. This is not a complete list.

Products not on this list may be taxable and may be found on the Taxable List below. If the item is not on either list and you are unsure how tax applies, please contact us.

A

- Acne preparations, medicated (e.g. cleansers, lotions, soaps)
- Adhesive tape, first-aid
- Agricultural feeds
- Agricultural lime
- Alcohol, rubbing
- Analgesics (e.g. pain relievers)

- Antacids
- Anti-inflammatory rubs
- Anti-nauseants
- Anti-parasitic treatments (e.g. lice, worms)
- Antihistamines
- Antiphlogistine rubs
- Antiseptic pain relievers
- A.S.A. tablets
- Ascorbic acid (e.g. vitamin C)

B

- Baby bibs, blankets, clothing
- Baby medications (e.g. teething lotion or gel, colic remedies)
- Bandages
- Barbeque briquettes
- Bark chips
- Bark mulch
- Batteries – designed specifically for hearing aids
- Bedding plants – vegetables
- Bee propolis – for consumption or use as a liquid band-aid
- Books that do not contain advertising and are published for educational, technical, cultural or literary purposes (see also the Taxable List)
- Boric acid
- Botox – when prescribed for treatment of a disease
- Bunion pads
- Bunting bags
- Burn remedies

C

- Callous pads, plasters
- Candy and confections
- Carbonated drinks
- Cards, gift
- Castor oil
- Certificates, gift
- Chest rubs and inhalants
- Christmas trees cut – except artificial or uncut trees
- Cigars, cigarettes, chewing tobacco, pipe tobacco and snuff – when purchased from suppliers who hold a valid British Columbia wholesale dealer permit
- Clip-on sunglasses – only when sold with prescription glasses for a single price
- Coal
- Cod liver oil
- Coffee
- Cold remedies
- Colour flame logs
- Colouring books
- Comic books
- Cook books
- Cooking wines
- Corn plasters
- Cotton, surgical
- Cough remedies (e.g. candies, syrup)
- Crayons, wax, pencil – for school use
- Creams – medicated to treat a skin condition (e.g. diaper rash, eczema, first-aid)
- Crutches

D

- Decongestant tablets
- Denture adhesives, liners, repair kits
- Dermatologic skin preparations
- Diabetic supplies – when purchased by, or for a diabetic, such as:
 - autolets
 - diabetic testing materials
 - glucose monitoring kits
 - needles
 - syringes
- Diaper rash creams and ointments
- Diaper liners, all types
- Diapers, cloth only
- Diarrhea preparations
- Dictionaries
- Dietary supplements
- Distilled water
- Dressings, first-aid
- Drink mixes
- Drinks

E

- Ear preparations
- Eczema preparations
- Epsom salts
- Erasers – for school use
- Eye drops or preparations – made for treating, relieving or preventing an eye disease or ailment
- Eye pads

F

- Feminine hygiene products – except deodorants, douches, sprays, syringes
- Fertilizers and manure
- Film – developing services only
- Fire logs
- First-aid booklets
- First-aid creams, dressings, kits, medications
- Flower seeds
- Food colouring
- Food products – for human consumption
- Food supplements
- Foot medications, powder and spray
- Frames – sold with prescription glasses
- Fruit trees and plants

G

- Garden books
- Gelatine
- Germicides – sold in form of patent medicine
- Gift certificates and gift cards
- Gloves, latex – used by doctors and health care workers
- Grass seed
- Gum (e.g. confections, nicotine, weight loss support)

H

- Heat liniment
- Hearing aids and batteries designed specifically for hearing aids
- Heating pads, chemical – used for muscle pain relief (see also the Taxable List)
- Hemorrhoid preparations

- Herbs
- Hickory chips (e.g. kindling)
- Hog fuel
- Hosiery, elastic – for use as a support for varicose veins
- Hot chocolate mix
- Hot/cold packs – for muscle pain relief

I

- Ice
- Iced tea
- Incontinence briefs
- Infant formula
- Inhalants, asthma and chest
- Ink – for school use
- Isopropyl alcohol – marketed as rubbing alcohol or a first-aid supply

K

- Keyboards, expanded – for use with electronic learning aids designed to accommodate students with learning and physical disabilities
- Kidney pills
- Kindling
- Knitting patterns
- Knitting yarn – used to make or repair clothing

L

- Lawn seed
- Lactic acid drops or tablets
- Latex gloves – used by doctors and health care workers
- Laxatives
- Lime, agricultural

- Liniments
- Lip preparations, medicated
- Liver pills
- Loose-leaf binders – for school use
- Loose-leaf paper – for school use
- Lotions, medicated
- Lozenges

M

- Magazines – when published at regular intervals and where at least 10% of the content is composed of technical, literary, editorial or pictorial content, other than advertising and promotional content
- Maps – when in book form (bound)
- Medicated skin creams – to treat a skin condition
- Medications for gums, teeth or skin
- Mineral water
- Mineral oil
- Mineral supplements
- Mixers, drink
- Motion sickness preparations

N

- Needles – when purchased by, or for, a diabetic
- Newspapers – when published at regular intervals and where at least 20% of the content is composed of editorials, news and articles of local or common interest, other than advertising and promotional content
- Nicotine gum or patches
- Nose drops and sprays

O

- Ointments, medicated
- Olive oil
- Onion sets, bulbs
- Optical accessories – when sold with prescription optical goods for a single price (e.g. chains, cases)
- Oral contraceptives – when prescribed by a doctor
- Ostomy equipment and supplies – when purchased by, or for a person requiring such specialized items for their own use, such as:
 - bedside urinary drainage sets
 - disposable drain sleeves
 - irrigation kits
- Oxygen containers – when purchased for medical or emergency use

P

- Pain relief medicines
- Peat moss
- Perlite
- Peroxide
- Petroleum jelly – when used for treating, relieving or preventing a disease or ailment in humans only
- Plant food pills
- Plants – for human consumption (e.g. herbs, vegetables)
- Pocket books (e.g. crosswords, horoscope, television guide)
- Poppies, Remembrance Day
- Porous plasters
- Potting soil
- Prescription drugs and medications
- Pressure fuel and propane – for residential heating, lighting and cooking
- Protein drink mixes

- Protein supplements – for human consumption (e.g. protein bars)
- Psoriasis preparations

R

- Remembrance Day poppies and wreaths
- Ring binders – for school use
- Rubbing alcohol
- Rulers – for school use

S

- Salt, salt substitutes – except de-icing salt or salt used domestically as water softener
- Salves
- Sanitary napkins, belts, tampons
- School supplies – when sold for school use (e.g. paper, pens, pencils)
- Sedatives
- Seeds, flowers and vegetable
- Shampoo used to treat head lice
- Sleep preparations
- Soaps and lotions, medicated
- Soft drinks
- Spices and seasonings
- Stomach remedies
- Sunburn medication
- Suppositories
- Sweeteners
- Syringes – when purchased by, or for, a diabetic

T

- Tampons
- Teething lotion or gel
- Tensor bandages or wraps
- Thread – for making clothes
- Throat lozenges
- Tobacco – when purchased from suppliers who hold a valid British Columbia wholesale dealer permit (e.g. chewing tobacco, cigars, cigarettes, snuff)
- Tobacco deterrents (e.g. nicotine gum, patches)
- Tooth and gum medications
- Toothache medicine
- Trees – natural, cut evergreens sold as Christmas trees
- Trees, fruit bearing

U

- Urinary appliances and repair or replacement parts (e.g. catheters, catheter kits)

V

- Vegetable plants, seeds
- Vermiculite
- Vitamins – for human consumption

W

- Walkers and walker seats
- Wart removal preparations
- Weight loss support gum
- Wheelchair cushions, restraining devices, seating inserts, head rests and attachable trays
- Wheelchairs

- White gas – for residential heating, lighting or cooking
- Wood fibre
- Wood – when used for fuel
- Worm preparations (e.g. antifungal creams, lotions or ointments)

Taxable List

This is a list of taxable items commonly sold in grocery and drug stores. This is not a complete list.

Products not on this list may be non-taxable and may be found on the Non-Taxable List above. If the item is not on either list and you are unsure how tax applies, please contact us.

A

- Advertising circulars
- Aftershave lotions
- Air deodorizers or fresheners
- Albums (e.g. photo, record, stamp)
- Ammonia
- Antifreeze
- Aprons
- Artificial flowers
- Athletic equipment – except safety helmets (e.g. balls, bats, hockey sticks)
- Automotive supplies (e.g. oil)

B

- Baby bottles and nipples
- Baby pins
- Baby toiletries, non-medicated (e.g. oil, powder, lotion, shampoo, wipes)
- Backpacks
- Bags (e.g. paper, shopping, lunch)
- Barbecues

- Bath oils
- Batteries – except batteries designed specifically for hearing aids
- Beauty aids (e.g. makeup tools, manicure sets)
- Bird gravel, seed
- Blankets, electric
- Bleach, liquid and dry
- Bleach, hair
- Blood pressure monitors
- Blow dryers
- Books that are albums, catalogues, directories, fashion books, price lists, rate books, reports or timetables (see also the Non-Taxable List)
- Bottle caps
- Breast pads and pumps
- Breath sprays
- Brooms
- Bug killers
- Bulbs, flower, garden – except onion sets and onion bulbs
- Buttons

C

- Calculators
- Calendars
- Cameras
- Camera supplies (e.g. batteries, film)
- Candles
- Canning supplies (e.g. jars, rings, lids)
- Cards, greeting, sports
- Cassette tapes
- Cat food
- Catalogues – for promoting sales or lease of items, property or services

- Catnip
- CDs and DVDs, blank or recorded
- Cheesecloth
- Chloride of lime
- Chlorine
- Christmas trees – artificial or uncut
- Cigarette holders, makers, papers, tubes
- Citronella
- Clamps
- Clocks
- Clothes pins and lines
- Cloths – dish, cleaning
- Coffee filters
- Collars, pet
- Colognes
- Compact discs, blank or recorded
- Condoms
- Contact lens preparations (e.g. cleaning solution, lubricant)
- Contraceptive preparations – except oral contraceptives purchased with a prescription
- Cords, electric
- Cosmetics
- Cotton swabs
- Creams – except medicated products to treat skin conditions (e.g. face, hand, skin, shaving)
- Curling irons
- Cut flowers
- Cutlery

D

- Dental needs – except dental adhesives, liners and repair kits
- Denture cleaners
- Deodorants
- Deodorizers
- Depilatories
- Detergents
- Diaper pins
- Diapers, disposable
- Diaphragms
- Directories
- Dishes
- Disinfectant cleaners
- Disinfectants
- Dog food
- Dog biscuits
- DVDs, blank or recorded
- Dye (e.g. fabric, hair)

E

- Electric blankets
- Electrical supplies (e.g. cords, fuses, light bulbs)
- Escargot shells
- Essential oils
- Evergreen trees, shrubs – except natural, cut evergreens sold as Christmas trees
- Eye drops – for lubricating or re-wetting contact lenses

F

- Fabric dye
- Face cream and cleansers – except acne and medicated products to treat skin conditions
- Facial tissue
- Fashion books
- Feminine hygiene sprays, deodorants, douches and syringes
- Film, camera and prints
- Filters – coffee, oil
- Fire-starters
- Fishing bait
- Flashlights
- Flea killers and soap
- Flints
- Floor – wax, polish
- Flower bulbs, plants, pots:
 - except onion sets and bulbs
 - except when purchased by a bona fide farmer to be used solely for farm purposes
- Flowers, cut
- Fly swatters
- Flyers
- Foil – aluminium wrap, plates
- Fountain pens and nibs
- Freezer bags
- Fuel, barbeque starter
- Fungicides
- Furniture polish
- Fuses

G

- Garbage bags
- Garden tools, equipment, furniture
- Gels, hair setting
- Glass cleaner
- Glassware
- Gloves – rubber and disposable
- Greeting cards
- Grooming aids
- Ground meat – labelled as pet food

H

- Hair accessories (e.g. barrettes, brushes, clips, combs)
- Hair care items (e.g. dyes, sprays, remover, gels, shampoos)
- Hair dryers
- Hair tonics
- Hair wave sets
- Hand cleaners, sanitizers
- Hand creams, lotions – except medicated products to treat skin conditions
- Handbags
- Handkerchiefs
- Hanging baskets
- Hardware items
- Heating pads, electric (see also the Non-Taxable List)
- Herring – for fish bait
- Highlighter pens, markers
- Hip pads
- Hot water bottles
- Household cleaners

I

- Ice bags
- Insect repellent
- Insecticides
- Insoles

J

- Jars, canning

K

- Kitchenware, utensils
- Kitty litter
- Knee pads

L

- Laundry supplies (e.g. detergent, soap, starch)
- Leashes, pet
- Light bulbs
- Lighter fluid
- Lighters
- Linens
- Lip balms, non-medicated
- Long distance telephone debit cards
- Lunch bags, kits
- Lye

M

- Machine oil
- Magnets, includes therapeutic
- Makeup

- Makeup remover
- Maps – except maps in book form (bound)
- Markers – includes highlighters
- Masks, paper, cloth (with or without a fluid shield) – used by physicians or surgeons
- Matches
- Metal polish
- Mosquito coils
- Mothballs, naphthalene
- Mouthwash

N

- Nail polish
- Nail care products
- Napkins – paper, cloth
- Nasal dilators
- Naval jelly
- Needle and syringe disposable containers
- Needles – unless purchased by, or on behalf of, a diabetic
- Nipples – for baby bottles
- Notions (e.g. bobbins, buttons, elastic, knitting or sewing needles, pins, scissors)
- Nursers
- Nursing pads
- Nylons – except for children under 15 years of age

O

- Oil – automotive, machine
- Oils, essential
- Ornamental plants

- Oven cleaners

P

- Pacifiers
- Paint and paint brushes
- Paint cleaner
- Panty hose – except for children under 15 years of age
- Paper (e.g. shelf, toilet, wax, wrapping)
- Paper bags, napkins, plates
- Paper towels
- Paraffin wax
- Party favours (e.g. bags, labels, ribbons, toys)
- Paste and glue – except when purchased for school use
- Pens and pencils – except when purchased for school use
- Perfume
- Pesticides – except when purchased by a bona fide farmer to be used solely for farm purposes
- Pet food
- Pet supplies
- Pet toys
- Photo albums
- Picnic supplies
- Pictures, picture frames
- Pillows
- Pillowcases
- Pipes, pipe cleaners, fillers
- Plant shine
- Planters
- Plants, non-edible
- Plastic wrap

- Plates – aluminum, paper
- Polish, shoe, floor, furniture, metal, automotive
- Postcards
- Pottery
- Price lists
- Prints, film or digital
- Prophylactics
- Publications – for promoting sales or lease of items, property or services
- Purses

R

- Rate books (e.g. accommodations, dining)
- Rattles
- Reading glasses, non-prescription
- Recipe cards
- Record albums
- Reports
- Room sprays
- Rubber gloves
- Rug/upholstery cleaners

S

- Salt, de-icing
- Salt – used domestically as water softener
- Scarves
- Scouring pads, metal, plastic
- Sewing needs (e.g. kits, needles, pins)
- Shampoo – except shampoo used to treat head lice
- Shaving supplies
- Shoe insoles

- Shoe laces, brushes, polish, dyes
- Shopping bags
- Shrubs
- Silver polish
- Skins creams and lotions – except medicated products to treat skin conditions
- Soap (e.g. bath, detergent, flakes, liquid, powder)
- Sports cards – including packages containing gum
- Sprinklers
- Stamp albums
- Starch – laundry, spray or liquid
- Stationery
- Steel wool
- Straws
- Sunglasses, non-prescription
- Suntan lotions, sprays, oils
- Sunscreen
- Swabs – cotton, ear
- Swim goggles
- Syringes – unless purchased by, or on behalf of, a diabetic

T

- Tacks
- Talcs
- Tanning lotions, sprays
- Telephone long-distance debit cards
- Terrariums
- Thermometers
- Therapeutic magnets
- Thumb tacks

- Tide tables – except when purchased by a bona fide fisherman
- Timetables (e.g. event, travel schedules)
- Tinware
- Tobacco papers, pouches, tubes
- Toilet bowl cleaner
- Toilet paper, tissues
- Toiletries (e.g. deodorants, shampoos)
- Tools
- Tooth brushes
- Toothpaste, tooth powders
- Toothpicks
- Toys
- Trees, ornamental – except natural, cut evergreens sold as Christmas trees
- Tropical plants
- Tourist guide publications (see also *books* in the Taxable List)

U

- Umbrellas
- Utensils

V

- Velcro
- Video tapes, blank or recorded
- Video rentals

W

- Washing soda
- Water glasses
- Watering cans
- Wave sets, hair

- Wax (e.g. canning, floor)
- Wax paper
- Weed control chemicals
- Wipes
- Wrapping paper
- Writing materials – except for school use

Z

- Zippers

Purchases

When to Pay PST

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

- stationery, furniture and office equipment,
- shelving and display units,
- advertising materials, such as flyers and brochures,
- promotional items given away for free, 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 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.

Promotional or Giveaway Items

Promotional or giveaway items are often given away with the purchase of another product or service. For example, you may give your customer a bonus gift when they buy \$40 worth of cosmetics. These types of giveaway items are part of the sale, and you can purchase them without paying PST if the giveaway item meets *one* of the following conditions:

- it is physically included with the purchased item, such as a “free hair brush” packaged with shampoo,
- your customer receives the promotional or giveaway item as a condition of purchasing another product or service, or
- you advertise that you only give it away with the purchase of another product or service.

For these types of sales, you charge PST on the taxable item that your customer purchases to receive the giveaway item, and you do not charge PST on the giveaway item. However, if the item that your customer purchases is not taxable (e.g. cloth diapers), you do not charge PST on the sale.

For more information, please see [Bulletin SST 080](#), *Promotions and Special Offers*.

Other Bulletins

The following are additional bulletins which may be relevant to your business.

[Bulletin SST 002](#), *Exemption for Safety Equipment* – information on how PST applies to safety equipment you sell, such as latex gloves and sports helmets.

[Bulletin SST 006](#), *Medical Supplies and Equipment* – information on how PST applies to medical supplies you sell, such as bandages and disposable diapers.

[Bulletin SST 009](#), *Children’s Clothing* – information on how PST applies to children’s clothing you sell, such as gloves and footwear.

Bulletin SST 012, *School Supplies* – information on how PST applies to school supplies you sell to students, schools and school boards.

Bulletin SST 020, *Containers, Labels and Packing Materials* – information on how PST applies to packaging materials you buy or make to go with the goods you sell.

Bulletin SST 024, *Sales of Long Distance Telephone Debit Cards* – information on how PST applies to the sale of long distance telephone debit cards.

Bulletin SST 036, *Publications: Books, Magazines, Periodicals and Newspapers* – information on how PST applies to publications you sell, such as books, magazines, periodicals and newspapers.

Bulletin SST 119, *Bundled Sales: Taxable and Non-Taxable Goods or Services Sold Together for a Single Price* – information on how PST applies to your sales if you package taxable and non-taxable goods together and sell them for a single price, such as a wine and cheese basket.

Bulletin SST 124, *Beauty Industry* – information on how PST applies to beauty products you sell, such as lotions and moisturizers.

Bulletin SST 125, *Optical Retailers* – information on how PST applies to optical goods you sell, such as non-prescription sunglasses.

Bulletin TTA 003, *Tobacco Retailers* – information on how British Columbia tobacco tax applies to tobacco products you sell.



Need more info?

Grocery and Drug Store website: www.sbr.gov.bc.ca/ctb/Grocery.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

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References: *Social Service Tax Act*, Sections 20, 69, 70, 71 and 72, and Regulations 2.4, 2.6, 2.21, 2.22, 2.27, 2.31, 2.32, 2.33, 3.7, 3.9, 3.15, 3.16, 3.21, 3.24, 3.26, 3.33, 3.35 and 12