

## Printing, Publishing, and Related Industries

### *Social Service Tax Act*

Under the *Social Service Tax Act*, a person who manufactures or produces and sells tangible personal property for the use or consumption of a particular customer is considered to be a vendor and must be registered with the Consumer Taxation Branch.

As printers are the manufacturers or producers of their product, they must be registered as vendors and are required to collect tax on the full sale price of their finished products. This bulletin outlines the application of social service tax to sales and purchases by printing, publishing, and related industries.

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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### **SALES OF PRINTED MATERIAL**

#### **TAXABLE SALES**

When a printer supplies materials to be incorporated into items that are subject to tax (e.g., brochures, envelopes, letterhead, and flyers), the total amount charged to the customer for materials and for printing, engraving, multigraphing, mimeographing, photocopying, and similar operations is subject to tax. This includes the combined charge for materials and services, even if such charges are itemized separately on the invoice. For example, when a printer itemizes artwork, typesetting or plates separately from the printed matter on an invoice, those items are considered to form part of the sale price of the printed matter.

#### **NON-TAXABLE SALES**

When materials supplied by a printer are incorporated into items which are exempt from tax (e.g., bags, boxes, and other packaging materials), the total amount charged to the customer is also exempt.

When customers supply their own materials, which they have previously acquired and taken physical possession of, the printer is considered to render non-taxable services only. In this case, charges for printing, imprinting, labour, etc., are not subject to the tax.

Printers are also considered to be performing a non-taxable service when they mail the finished product for their customer. Although the printer must collect tax on envelopes or other items of tangible personal property sold, charges for folding, enclosing, sealing, and mailing are not subject to tax if the following two conditions are met.

- The charges are indicated separately on the customer's invoice.
- The printer, mimeographer, or multigrapher is operating within the province of British Columbia.

Social service tax does not apply to charges for postage.

### **PURCHASES OF MATERIALS USED IN PRODUCTION**

#### **NON-TAXABLE PURCHASES**

Printers and publishers are not required to pay tax on their purchases of materials that become a component part of the finished product sold to a customer. Such materials include ink, paper, binding elements, and other items which become

an integral part of the product being sold to the customer.

Printers and publishers are not required to pay tax on their purchase of the following materials when they are purchased for the printer's or publisher's own use in a printing or publishing process: typeset products, cuts, plates, blankets used in the printing process to transfer the ink to the product being printed (effective May 1, 1996), artwork, engravings, photographs, negatives, film, transparencies, flats, paste-ups, signatures, and materials used to manufacture or produce any of the foregoing items. The exemption also applies when these items are used to produce letterhead, stationery or similar items for the printer's or publisher's own use.

#### **TAXABLE PURCHASES**

Printers and publishers **are required to pay tax** on all purchases of materials used to produce publications for their own use (e.g., employee newsletters), as well as materials that are used in production but do not become a component part of the product manufactured or produced, or that are not used by the printer or publisher in a printing or publishing process. Examples of

such materials are printing equipment, cleaning supplies, and tools.

#### **TAXABLE SERVICES**

Tax may apply to any charges for services to install, assemble, dismantle, repair, adjust, restore, recondition, refinish, or maintain various materials or equipment employed for the business's own use.

**MORE INFO:** [Bulletin SST 018, Taxable Services](#).

#### **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 2.04, 3, 4(1)(h.1); Regulations 2.27, 3.28.*