

## Pet Industry

### *Social Service Tax Act*

**Do you sell, lease or buy animals and related products?**

**Do you provide services for animals?**

This bulletin provides specific tax information to help pet shop owners, kennel operators and breeders 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 the sale or lease of animals and products, such as:

- animals sold as pets, including dogs, cats, birds, fish, reptiles and horses,
- animals sold or leased to circuses, zoos or hunting clubs,
- guard dogs,
- insects, including bait,
- all pet food, including treats and live food (e.g., mice),
- food that you provide to boarded animals, *if you separate the charge for the food from the charge for the boarding service,*
- leashes and collars, including flea collars,
- drinking or eating items, such as bowls and dishes,
- grooming items, such as brushes, combs and shampoo,
- kennels and cages, and
- pet toys.

When you sell animals or products, you charge PST on the total amount your customer pays, excluding the goods and services tax (GST).

When you lease, you charge PST on the total amount your customer (lessee) pays on each lease payment, excluding the GST.

### **When not to Charge PST**

You do not charge PST on the following:

- animals or products you sell to a registered vendor for resale or lease,
- feed (e.g., chicken feed, cow feed and pig feed) you sell for animals that are ordinarily sold as food for human consumption,
- items, such as boxes, bags, wrapping paper and containers, that are included with the sale at no extra charge to your customer,
- drugs and medicaments that are prescribed by a veterinarian, including vaccines and drugs used to treat a disease,
- pain killers,
- books, such as training guides,
- food that you provide to boarded animals, *if you do not separate the charge for the food from the charge for the boarding service*, and
- services for animals, such as:
  - boarding,
  - breeding services that do not include the sale of an animal (i.e., stud services),
  - dog walking,
  - grooming and cleaning,
  - training,
  - transportation or delivery of animals, and
  - veterinary services.

### **Sales to Out-of-province Customers**

If you sell to out-of-province customers and ship the items 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 items were shipped out of the province.

## Purchases

### When to Pay PST

You pay PST on the purchase or lease of any animal, supplies or equipment that you use in your business, such as:

- cash registers,
- computers,
- display cases, stands and furniture,
- cages, kennels and aquariums,
- food dishes and water bottles,
- grooming supplies and equipment,
- cleaning supplies and equipment,
- advertising materials and stationery,
- any animal that you buy for breeding purposes,
- food for the dogs you use for breeding,
- food that you provide to boarded animals, *if you do not separate the charge for the food from the charge for the boarding service, and*
- non-prescription drugs and medicaments, including vaccinations, that you administer to the animals you use for breeding. For information on prescribed medicaments, please see [Bulletin SST 038, Veterinarians](#).

If you purchase or lease items to use in your business and the supplier does not charge you PST, you self-assess the PST due and record at Step 3 of your next tax return.

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

### When not to Pay PST

You do not pay PST on the following:

- animals or products that you sell or lease (provide your PST registration number to the supplier when you make the purchase),
- food that you provide to boarded animals, *if you separate the charge for the food from the charge for the boarding service,*
- food, vitamins, dietary supplements and vaccines that will be consumed by the animals you sell,

- drugs and medicaments, such as worming medicines, non-prescription vaccinations and antibiotics that you administer to the animals that you are selling, and
- items, such as boxes, bags, wrapping paper and containers, used to package or deliver your goods at no extra charge to your customer.

### **Purchases from Out-of-Province Suppliers**

If you purchase an animal or item from an out-of-province supplier, you pay PST on the total amount, including charges for transportation, customs, excise, and any other costs, except the 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?**

Pet Industry website: [www.sbr.gov.bc.ca/ctb/Pet.htm](http://www.sbr.gov.bc.ca/ctb/Pet.htm)

Telephone (Vancouver): 604 660-4524

Toll free in Canada: 1 877 388-4440

E-mail: [CTBTaxQuestions@gov.bc.ca](mailto: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](http://www.sbr.gov.bc.ca/ctb)

References: *Social Service Tax Act*, Sections 1, 5, 6, 9, 11, 14, 18, 20, 21, 23, 24, 69.1, 71-73 and 78, and Regulations 3.9, 3.10 and 3.16