

Nurseries and Garden Stores

Social Service Tax Act

Do you operate a nursery or garden store?

Do you operate a greenhouse and make retail sales?

This bulletin provides specific tax information to help nursery, garden store and greenhouse operators who make retail sales understand how the social service tax, also called the provincial sales tax (PST), applies to their businesses. If you operate a floral shop, you should also read [Bulletin SST 066](#), *Purchases and Sales by Florists*.

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 \(PST\)](#).

Non-taxable Sales

You do not charge PST on some items that are commonly sold in nurseries and garden stores, such as:

- seeds,
- plants and bulbs that become food for human consumption,
- fertilizers sold for an agricultural purpose,
- books, and
- magazines (does not include catalogues).

For detailed lists of taxable and non-taxable items sold by nursery and garden stores, please see our website at www.sbr.gov.bc.ca/ctb/Nurseries.htm

Fertilizer and Fertilizer Mixtures

You do not charge PST on fertilizer sold to help the growth of plants, grass or trees.

If you sell soil or garden mixes, you may or may not have to charge PST depending on whether the mixture qualifies as fertilizer. You do not charge PST on any mixture if it has more than 50% of a combination of manure, peat, sawdust, or any other chemicals or organic soil stimulants. If a mixture meets this 50% rule, it is not taxable, even if the mixture is called topsoil or garden soil, or if it also contains weed control chemicals or fungicides.

When you sell fertilizer mixtures without charging PST, you must make sure the package labelling shows that the content meets the 50% rule. For unlabelled products, you need to keep supporting documentation that shows the fertilizer mixture.

You also do not charge PST on fertilizer/pesticides mixtures that are registered under the federal *Fertilizer Act*. However, products registered under the *Pest Control Products Act* are taxable.

Selling to Farmers

You do not charge PST on some items sold or leased to farmers who provide you with a *Certificate of Exemption as a Farmer* form ([FIN 465](#)), or present a Farmer Identity Card issued by the British Columbia Agricultural Council (BCAC). For more information on selling to farmers, please see [Bulletin SST 023, Bona Fide Farmers](#).

How to Record Non-taxable Sales

When you sell or lease items without charging PST, you record these sales or leases in one of the following ways.

- For registered vendors, write their PST registration number on the invoice.
- For non-registered vendors who are purchasing for resale or lease, keep on file a completed *Certificate of Exemption* form ([FIN 453](#)) from that customer.
- For farmers, keep their *Certificate of Exemption as a Farmer* form ([FIN 465](#)) on file, or record an imprint of their British Columbia Agricultural Council (BCAC) card on the sales or lease invoice. Make sure the items you are selling are listed as non-taxable in [Bulletin SST 023, Bona Fide Farmers](#).

Purchases

You pay PST on all supplies, equipment or services that you buy or lease to run your nursery or garden store, including the following:

- shelving, storage racks, counters, display cases, cash registers, office furniture, pallet jacks, computers and software (including accounting software),
- machinery, tools and equipment used in your business, such as pressure washers, saws, mixing buckets, trucks, golf carts, ATVs and fertilizer injectors,
- tools used to provide services, such as wrenches, hammers or other tools you use to assemble greenhouses for your customers,
- items used or consumed in your business, such as cash register tapes, letterhead, toner, cleaning supplies, miticides, disinfectants, oil and grease,
- parts, services and repairs to your tools and equipment, and
- building materials you purchase to install yourself, or have installed by someone you hire.

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

If you qualify as a *bona fide* farmer, you do not pay PST on some items you purchase to use in your business. For more information, please see [Bulletin SST 023, Bona Fide Farmers](#).

Other Bulletins

The following are additional bulletins relevant to your business.

[Bulletin SST 020, Containers, Labels and Packing Materials](#) - exemptions for containers and packaging, labels used by vendors, wrapping or packaging charges

[Bulletin SST 079, Service Charges, Trade-Ins and Returns](#) - reduced prices, discounts, manufacturer or distributors coupon, environmental or eco fees

[Bulletin SST 080, Promotions and Special Offers](#) - items you purchase to give to your customers, including advertising flyers, samples, calendars

Bulletin SST 083, *Transported Goods* - delivery charges, goods lost or damaged in transit

Bulletin SST 119, *Bundled Sales: Taxable and Non-Taxable Goods or Services Sold Together for a Single Price* - how tax applies changes depending on the price of the bundled purchase and value of the taxable service or good included

Bulletin SST 043, *Goods Purchased from Out-Of-Province Suppliers*

Bulletin SST 062, *Wholesalers* - read this bulletin if you operate a wholesale nursery or a greenhouse

Need more info?

Nurseries and Garden Stores website: www.sbr.gov.bc.ca/ctb/Nurseries.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

References: *Social Service Tax Act*, Sections 1, 5, 20, 40, 42, 70(a), 72(1)(a), (b), 73(1)(a), (a.1), (b) and 73(2), and Regulations 2.27, 2.45 and 3.9