



# Information Bulletin

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## THE PROVINCIAL SALES TAX ACT

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### INFORMATION FOR GROCERY AND DRUG STORES

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax. It is a general guide and not a substitute for the legislation.

**The changes to this bulletin are indicated by a (I).**

The contents of this bulletin are presented under the following sections:

- A. Taxable and Exempt Categories
- B. Other Exempt Sales
- C. Status Indians
- D. Sales of Used Business Assets
- E. Goods and Services for Your Own Use
- F. Saskatchewan Electronic Tax Service (SETS)

#### **A. TAXABLE AND EXEMPT CATEGORIES**

General categories of tax-exempt items include prescription drugs and medicines, food and drink, snack foods, books and magazines, children's clothing and footwear, medical equipment, and orthopaedic appliances. In order to provide you with a convenient reference, we have prepared the following list of some of the more common exempt and taxable items sold in grocery and drug stores. Product names are used for illustrative purposes.

#### EXEMPT

#### TAXABLE

##### A

##### A

Ankle supports  
Anti-burn scar supports  
Arch supports  
Artificial sweeteners  
Atlases

Absorbent cotton  
Absorbine Jr.  
Acne preparations  
Adults' clothing and footwear  
Aftershave lotions  
Air deodorizers and air fresheners  
Albums  
Alcohol – rubbing  
Alcohol swabs  
Aluminum foil wrap

EXEMPTATAXABLEA

Ammonia  
 Antacids  
 Antifreeze  
 Antiphlogistine rub  
 Antiseptics  
 Appetite suppressants  
 Aprons  
 Aspirin and similar non-prescription  
 analgesics  
 Artificial flowers, trees  
 Athletic supports

EXEMPTBTAXABLEB

Baby bibs  
 Baby blankets  
 Baby clothing  
 Baby diapers – cloth/disposable  
 Baby pants – plastic/rubber  
 Back supports  
 Beverages – carbonated, dispensed,  
 hot, cold  
 \*Blood-glucose monitors  
 \*Blood pressure kits  
 Books – Paperback, hard cover  
 Braces (support but not athletic)  
 Breath mints  
 Bunting bags

Baby bottles and nipples  
 Baby shampoos  
 Baby oils  
 Baby pins  
 Baby powders and toiletries  
 Ballpoint pens  
 Bandages  
 Barbecue charcoal, starter fuel  
 Bath oils, toiletries  
 Bathing suits, caps (exempt for children)  
 Batteries (hearing aid batteries and  
 wheelchair batteries are **exempt**)  
 Beach bags  
 Beauty aids  
 Bedpans  
 Bedding plants, vegetables  
 Ben Gay ointment  
 Bird gravel  
 Birdseed  
 Birth control devices  
 Borax  
 Breast pads and pumps  
 Breath sprays  
 Bubble bath  
 Buckles (exempt for children)  
 Bulbs – garden  
 Burn remedies  
 Buttons and clothing fasteners

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

**EXEMPT****C**

Candy  
 Candy bars  
 Canes  
 Carbonated beverages  
 Children's clothing and footwear for  
 children 14 years of age and under,  
 including children's party costumes  
 \*Cholesterol testers and monitors  
 \*Colostomy units  
 Colour flame logs  
 Colouring books, paste books  
 Confections, including candies, nuts  
 and soft drinks  
 Comic books  
 Cook books  
 Crutches

**TAXABLE****C**

Calendars  
 Camera supplies  
 Cards – greeting  
 Cassettes and compact discs (CDs)  
 Cat food  
 Chapstick  
 Chest rubs  
 Christmas trees – artificial and natural  
 Cigarettes, cigars, tobacco, snuff  
 Cigarette holders  
 Cigarette makers  
 Cigarette tubes  
 Cleaners  
 Clocks  
 Coffee filters  
 Colognes  
 Combs  
 Computer software and video games  
 Condoms  
 Contact lens solutions  
 Contraceptive devices  
 Contraceptive gel  
 Coppertone  
 Cosmetics and beauty aids  
 Cotton swabs, balls  
 Cough syrups  
 Crayons  
 Creams – face, hand, shaving,  
 skin – medicated or otherwise,  
 including eczema preparations,  
 psoriasis preparations, acne  
 preparations, diaper rash ointments  
 and creams, first aid creams, liniment  
 preparations, dermatologic skin  
 preparations and sunburn medications  
 Cut flowers

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

**EXEMPT****D**

\*Diabetic blood and urine testing strips and tablets  
 \*Diabetic needles and syringes  
 Diapers – cloth/disposable  
 Dictionaries  
 Drink and food  
 Dura flame logs  
 Drugs and medicines – prescribed by a medical practitioner

**E**

Elbow braces/supports  
 Encyclopedias  
 \*External diagnostic agents purchased by individuals for blood and urine testing

**TAXABLE****D**

Dental floss  
 Denture adhesives  
 Denture cleaners  
 Deodorants  
 Deodorizers  
 Depilatories  
 Dermatologic skin preparations  
 Detergents  
 Diaper pins  
 Diaper rash ointments and creams  
 Diaphragms  
 Dietary supplements  
 Disinfectants  
 Dog chews – rawhide and other dog treats  
 Dog food  
 Drano  
 Dressings – hair  
 Drugs and medicines non-prescription  
 Dry cleaning services  
 Dust Bane  
 Dust removers

**E**

Ear preparations  
 Earrings  
 Eczema preparations  
 Elastic  
 Electrical appliances  
 Electrical supplies - cords, plugs, fuses, light bulbs  
 Envelopes  
 Eye preparations, including drops and contact lens solutions

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

**EXEMPT****F**

\*Feeding utensils designed for disabled individuals  
 Fertilizers  
 Fire logs – Dura Flame, Presto  
 Food and drink  
 Fungicides (sold for farm use or to cities, towns and RMs)

**G**

Garden books  
 \*Grab bars and gripping devices designed for disabled individuals  
 Gum

**TAXABLE****F**

Fabric glue  
 Fabric materials  
 Face cream and cleaners  
 Face make-up preparations  
 Facial tissues  
 Feminine hygiene products – tampons, pads, sprays, deodorants, douches  
 Film  
 Film processing  
 First aid creams  
 First aid kits  
 Flashbulbs  
 Flouride  
 Flower bulbs and seeds  
 Flowers – cut, artificial, potted  
 Fondue fuel  
 Food supplements in powder, pill, capsule or liquid form  
 Foot medications  
 Foot powders  
 Fungicides  
 Furniture polish  
 Fuses

**G**

Games  
 Garbage bags  
 Garden seeds and bulbs  
 Garden tools, equipment, furniture  
 Gargles and rinses  
 Gauze  
 Gels – hair setting  
 Germicides  
 Glass cleaners  
 Gloves – rubber/disposable, cloth  
 Glues  
 Grass seed  
 Greeting cards  
 Grooming aids  
 Growing medium (soil-less) for plants

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

<u>EXEMPT</u>	<u>TAXABLE</u>
<b>H</b>	<b>H</b>
Hearing aids, parts and batteries Herbicides Herbal tea Herbs/spices *Home traction kits	Hair brushes, combs, curlers Hair care - dyes, sprays, removers, gels, shampoos, tonics, creams, dressings, conditioners, perms Hair ribbons and bows Handbags Hand creams, lotions Heart rate monitors Heat liniment/cream Heating pads Hemorrhoid preparations Hosiery Hot water bottles and ice bags Household cleaners Humidifiers
<b>I</b>	<b>I</b>
Ice *Ileostomy units Immobilizers (braces and supports) Incontinent bags, pants, pads, diapers and liners Insecticides (sold for farm use or to cities, towns and RMs) Intravenous solutions	Inhalants Insecticides Insect repellants (sprays, coils, lotions) Insoles Iodine
<b>J</b>	<b>J</b>
	J-cloths Jars – canning Jewelry Jiffy toothache drops

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

<u>EXEMPT</u>	<u>TAXABLE</u>
<b>K</b>	<b>K</b>
Knee braces and supports Knitting books	Keri lotion Kitchen ware, utensils Kits (needlepoint, pettipoint crochet, etc.) Kitty litter Kleenex Knitting bags
<b>L</b>	<b>L</b>
*Lancet holders *Lancets Lottery tickets Livestock medicaments, including sprays for warbles and similar diseases	Lactose drops, pills Laundry supplies Lawn seed Light bulbs Lighter fluid Lighters Liniments – liquid/cream Lip balms Liquid soap Listerine Loose leaf binders Lozenges - medicated Lubri-derm lotion Lye
<b>M</b>	<b>M</b>
Magazines Matches Meal replacement bars and beverages Meals *Medical alert bracelets *Medical alert monitoring systems	Machine oil Maps (atlases are <b>exempt</b> ) Medications – tooth, gum, skin Mentholatum Deep Heat Rub Minerals (supplements) Mothballs Motor oil Mouthwashes

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

**EXEMPT****N**

\*Nebulizers  
 \*Needles and syringes used by  
 diabetics  
 Newspapers  
 Nicorette gum

**O**

Orthopaedic appliances, including  
 trusses and parts, cervical collars,  
 spinal braces, surgical supports,  
 sacroiliac belts and supports  
 Orthopaedic insoles (must be  
 custom inserts)  
 Orthopaedic shoes (must be  
 prescribed by a duly qualified  
 medical practitioner)  
 \*Ostomy equipment and supplies

**TAXABLE****N**

Napkins – paper/cloth, sanitary  
 Nasal sprays, drops  
 Needles and syringes (**except** for  
 diabetic use)  
 Nicotine patches  
 Nilodor  
 Nivea cream  
 Nose drops, sprays  
 Noxzema  
 Nursing pads  
 Nylons

**O**

Obus forms  
 Ointments  
 Onion sets, bulbs  
 Ornamental plants  
 Oven cleaners  
 Oven mitts  
 Ozonol

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)



**EXEMPT****P**

Pampers  
 Periodicals  
 Potting soil  
 Prepared foods  
 Prescription drugs  
 Presto logs

**R**

\*Reaching aids designed for disabled individuals  
 \*Reagent strips

**TAXABLE****P**

Panty hose  
 Paper – toilet, towels, wax, napkins  
 Party favours  
 Patterns – clothing, knitting, crochet  
 Peat moss  
 Pencils  
 Pens  
 Perfumes  
 Peroxide  
 Personal hygiene supplies  
 Pet food, including vitamins and dietary supplements  
 Pet supplies, toys  
 Petroleum jelly  
 Photo albums  
 Pictures, picture frames  
 Pipes, pipe cleaners, filters  
 Plastic – plates, cups, cutlery  
 Polish – shoe, floor, furniture, metal, automotive  
 Porous plasters  
 Postcards  
 Pre-moistened towelettes  
 Pregnancy test kits  
 Preparation H  
 Prophylactics  
 Psoriasis preparations  
 Purses

**R**

Raid insecticides, coils, sprays  
 Razor blades  
 Rinses and gargles  
 Room sprays  
 Rubber gloves  
 Rubbing alcohol  
 Rug/upholstery cleaners

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

<u>EXEMPT</u>	<u>TAXABLE</u>
<b>S</b>	<b>S</b>
Sacroiliac belts and supports	Salves
Sales under 26¢	Sanitary napkins
Shoulder braces	School supplies such as scribblers, pens, pencils, and glues
Snack foods	Seam binding materials
Spinal braces	Seeds – flower, vegetable, grass, sprouting
Splints	Shampoos
Stamps – postage	Shaving supplies
Support hose and surgical stockings	Shoe laces
Supports and braces (back, arch, ankle, knee, shoulder)	Shoe polish, dyes
Surgical supports, appliances and parts	Shrubs
*Syringes and needles used by diabetics	Silver polish
	Skin creams and lotions
	Soaps – pads, flakes, powders, toilet, detergents, bath, medicated or otherwise
	Spinal rolls and pillows
	Sports cards, including those sold with gum
	Stamp albums
	Stationery
	Sun glasses (non-prescription)
	Sun lamps
	Sunburn medications
	Suntan lotions/sprays/oils
	Suppositories
	Surgical dressings
	Suspensories
	Syringes and needles ( <b>except</b> for diabetic use purchased by individuals)

\*(Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.)

**EXEMPT****T**

Trusses and parts

**TAXABLE****T**

Talcum powders  
 Tampons  
 Teething lotions  
 Tensor bandages  
 Thermometers  
 Thread  
 Throat sprays  
 Tissue paper  
 Tobacco  
 Toilet cleaners  
 Toilet paper  
 Toiletries  
 Tomato plants  
 Tooth brushes  
 Toothache drops  
 Toothpaste and powders  
 Toys  
 Tropical plants

**V**

Venous pressure gradient elastic supports

**V**

Vaporizers  
 Vaseline  
 Vegetable seeds  
 Velcro  
 Vermiculite  
 Veterinary medicaments  
 for pets  
 Vicks Vap-O-Rub  
 Video rentals  
 Visine eye drops  
 Vitamins

<u>EXEMPT</u>	<u>TAXABLE</u>
<b>W</b>	<b>W</b>
Walkers	Wallets
Weed control chemicals	Water softener salt
Wheelchair batteries	Wave sets
Wheelchair replacement cushions	Wax paper
Wheelchairs	Waxes and conditioners for floors and furniture
Wine kits	Wet wipes
	Window cleaners
	Wool
	Wrist straps and wristbands
	Writing materials
<b>Y</b>	<b>Y</b>
	Yard goods and notions
<b>Z</b>	<b>Z</b>
	Zippers

**B. OTHER EXEMPT SALES**

Grocery and drug stores are not required to collect the tax on the following sales:

- Goods sold to other vendors for resale (the purchaser's Provincial Sales Tax vendor's licence number must be recorded on the sales invoice).
- Goods that are shipped out of province by the vendor (evidence of shipment must be retained).
- Goods sold to federal government departments or agencies (goods sold to federal Crown corporations, provincial government departments or agencies or to provincial Crown corporations are subject to tax).

**C. STATUS INDIANS**

Sales to Indians are not subject to tax upon presentation of a Certificate of Indian Status identification card issued under the Indian Act, providing the goods are delivered by the retailer to a reserve. The complete 10-digit card number must be recorded on the sales invoice. If the federal identification card number is only 3 to 5 digits, record the number and the name of the Band on the sales invoice. Proof of delivery to a reserve must be retained.

**D. SALES OF USED BUSINESS ASSETS**

Businesses are required to collect tax on the sale of used assets, such as vehicles and equipment. When used assets are being sold pursuant to the closure of a business, the purchaser is required to self-assess and report the tax.

**E. GOODS AND SERVICES FOR YOUR OWN USE**

Businesses are required to pay tax on purchases of equipment, services and supplies used in carrying on their business. If purchased from a licensed supplier, tax must be paid to the supplier. If purchased from an unlicensed supplier located outside Saskatchewan, tax must be submitted with your return on the laid down cost, which includes currency exchange, transportation charges, customs, duties, and importation charges, but not the GST.

**F. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)**

Saskatchewan Finance has made it possible to report and remit tax electronically through the use of a standard Internet connection. The Saskatchewan Electronic Tax Service (SETS) offers a secure, fast, easy and convenient alternative to filing returns in paper format. Several E-File services are currently available through SETS.

Businesses may use SETS to file and pay returns for Provincial Sales Tax and other provincial taxes.

SETS allows businesses to:

- File and pay returns or make payments on account.
- File a return and post-date the payment to the due date.
- View account balance and statement information.
- Authorize your accountant to file on your behalf.
- Subscribe to an E-mail Notification Service that allows the option to be notified by e-mail that a tax return should be filed (replaces the paper forms normally received in the mail).

**FOR FURTHER INFORMATION**

Write: Saskatchewan Finance  
Revenue Division  
2350 Albert Street  
Regina, Saskatchewan  
S4P 4A6

Telephone: Toll Free 1-800-667-6102  
Regina 306-787-6645

E-mail: sask.tax.info@finance.gov.sk.ca

Fax: 306-787-6653

Internet: Provincial Sales Tax bulletins, forms and information are available on the Internet at:

<http://www.gov.sk.ca/finance/revenue/pst/pst.htm>

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