



Information Bulletin

PST-19 Issued: November, 1985 Revised: June, 2002

THE PROVINCIAL SALES TAX ACT

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INFORMATION FOR NEWSPAPER PUBLISHERS

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. What is a Newspaper?
- B. Sales of Newspapers
- C. Advertising in Newspapers
- D. Purchases of Materials
- E. Direct Agents
- F. Electricity
- G. Goods and Services for Your Own Use
- H. Sales of Used Business Assets
- I. Saskatchewan Electronic Tax Service (SETS)

A. WHAT IS A NEWSPAPER?

A newspaper is defined to be a printed publication for regular distribution to the general public, the contents of which are principally a factual reporting of current news of interest to the general public, together with general advertisements and literary matter. Current news and literary matter must comprise 20% or more of the total content of the newspaper.

B. SALES OF NEWSPAPERS

Newspapers are not subject to tax.

C. ADVERTISING IN NEWSPAPERS

Charges for the preparation of advertising in newspapers are subject to tax.

Charges for the placement of advertising in newspapers are not subject to tax.
Advertising flyers, including those inserted into newspapers, are subject to tax.

Charges to insert and distribute flyers are exempt.

For further information on advertising, please refer to Information Bulletin No. PST-67 (Information for Businesses Providing Advertising Services).

D. PURCHASES OF MATERIALS

Materials consumed or used in the publishing of newspapers and advertising publications are subject to the following guidelines:

(a) Taxable

- Equipment and repairs to equipment
- Computer programming, function and data tapes
- Materials and supplies which do not become incorporated into the finished product which is sold to the customer

(b) Exempt

- All materials which are attached to or that become incorporated into the newspaper, including paper and ink
- Labour component of in-house production costs for computer programming, printing plates and artwork
- Syndicated material (printed matter) used for newspaper articles
- Direct agents

E. DIRECT AGENTS

Direct agents are those materials consumed or used by a newspaper publisher for the manufacture of a newspaper by contact or temporary incorporation into the newspaper being printed.

Direct agents include the following:

- | | |
|---|------------------------|
| • cuts and dies | • film |
| • plates | • fountain solution |
| • photographic and proofing materials | • perforating supplies |
| • chemicals including developer and activator | • press blankets |
| • negatives | • dampener covers |

The following are not considered to be direct agents:

- production machinery and equipment, including repair parts
- lubricating oils, grease and maintenance supplies
- press, plate and film cleaners, including deglazers, conditioners and washes
- developing pads
- air cleaner supplies
- filters
- camera and light bulbs
- clothing and safety supplies
- hand cleaners and dispensers
- wipes, rags and cleaning pads
- power air and hand tools

Newspaper publishers who also do commercial printing should refer to Information Bulletin No. PST-20 (Information for Printers).

F. ELECTRICITY

Electricity used in a direct manufacturing process is not subject to Provincial Sales Tax.

The exemption for manufacturing electricity applies only to the electricity that is consumed by equipment and machinery used in a direct manufacturing process. Electricity consumed for any other purpose, including lighting of premises, ventilation, and elevators, is subject to tax.

If your power billings are less than \$200,000 per year, you will be allowed an exemption of 80% on your electrical consumption. Please provide us with a copy of your current power bill and we will notify your supplier to collect tax on 20% of your power billings. A refund of tax paid on previous power billings may be obtained by submitting copies of your power billings.

If your power billings exceed \$200,000 per year, you will be required to contact Saskatchewan Finance and complete a power survey.

G. GOODS AND SERVICES FOR YOUR OWN USE

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

H. 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 as part of the closure of a business, the purchaser is required to self-assess and report the tax.

I. **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. 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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