



# Information Bulletin

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## THE PROVINCIAL SALES TAX ACT

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### INFORMATION FOR RESTAURANTS

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. Licensing Requirements
- B. Meals, Liquor and Miscellaneous Sales
- C. Goods for Own Use
- D. Sales of Used Business Assets
- E. Saskatchewan Electronic Tax Service (SETS)

#### **A. LICENSING REQUIREMENTS**

Businesses that make retail sales of exempt or taxable products are required to become licensed as a vendor. Vendors are required to file monthly, quarterly or annual returns depending on the volume of taxable sales and the amount of tax collected. You will be advised of your filing frequency.

#### **B. MEALS, LIQUOR AND MISCELLANEOUS SALES**

Meals and liquor are not subject to Provincial Sales Tax. However, liquor is subject to Liquor Consumption Tax at the rate of 10% on the total price paid by your customer, excluding GST. For information on Liquor Consumption Tax, please refer to Information Bulletin LCT-1. Copies of this Bulletin are available on request.

Restaurants are required to **collect tax on sales of cigarettes and other tobacco products**, and on items such as souvenirs, postcards, pens, combs, batteries and film.

### C. GOODS FOR OWN USE

Restaurants must pay the tax to the supplier on goods acquired for personal and business use **except** packaging materials and disposable containers provided with food that is sold.

Restaurants that purchase taxable goods for their own use from a supplier who did not charge the tax (usually out-of-province) are required to submit the applicable tax on their vendor return.

Restaurants must quote their Provincial Sales Tax licence number to their suppliers in order to purchase goods for resale, packaging materials and disposable containers exempt from tax.

Goods and services on which the tax must be paid include:

- Accounting and legal services
- Bar equipment
- Bleach
- Cash registers
- Cash register tapes
- Cleaning and maintenance supplies
- Coasters
- Coffee machines
- Cutlery
- Dishes
- Furniture
- Kitchen equipment
- Meal checks
- Menus
- Napkins - paper, cloth
- Office equipment and supplies
- Paper towels
- Place mats
- Restaurant equipment
- Sales flyers and similar advertising matter
- Soft drink dispensers
- Stationery supplies
- Table lamps and candles
- Toilet tissue
- Toothpicks
- Utensils

Goods in the category of exempt packaging materials and disposable containers sold with food include:

- Boxes - paper, plastic, styrofoam
- Cocktail picks
- Cups - plastic, styrofoam, paper
- Paper bags
- Paper or plastic butter dishes
- Paper liners for ice cream dishes
- Paper plates
- Plastic spoons, knives and forks
- Sandwich bags
- Straws
- Stir sticks
- Swizzle sticks
- Wrapping paper and wax paper used to wrap food for sale to customers

**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, as part of the transfer or closure of a business, the purchaser of the assets is required to self-assess and report tax.

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

Saskatchewan Finance has made it possible for collectors 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: 306-787-9644

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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