



Information Bulletin

PST-15

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THE PROVINCIAL SALES TAX ACT

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INFORMATION FOR SERVICE STATIONS AND AUTOMOTIVE REPAIR SHOPS

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 Sales
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- I. Goods and Services for Your Own Use
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A. TAXABLE SALES

- Air compressors **except** when purchased for farm use upon completion of a Farm Exemption Certificate or equivalent
- Air fresheners
- Antifreeze **except** when installed by the service station in farm implements or farm machinery
- Auto accessories, including mirrors, gauges, wheel covers, brake warning lights and radio aerials
- Automotive cleaning products, including waxes and polishes
- Automotive motors **except** when purchased as a replacement for a farm implement or machine (Farm Exemption Certificate or equivalent required) – See "Section D - Reconditioned Parts" for the application of tax to reconditioned automotive motors

- Barbecue charcoal, starter fluid
- Battery chargers
- Battery charging
- Bedding plants
- Bug screens and deflectors
- Caps, hats, gloves, stockings and t-shirts **except** when purchased for children 14 years of age and under
- Carbon arc tips **except** when sold as a part of a welding unit for farm use
- Chamois and sponges
- Cigarettes, cigars, tobacco, snuff
- Diagnostic charges
- Electric cords
- Electric motors **except** when purchased for farm use upon completion of a Farm Exemption Certificate or equivalent
- Film and flash bulbs
- Floor mats
- Freon and recycled freon **except** when installed by the vendor in farm implements or farm machinery
- Fungicides **except** when purchased for farm use
- Gasoline additives, including de-icer
- Hand tools
- Insect repellents
- Insecticides **except** when purchased for farm use
- Kerosene
- Lawn and garden tools
- Lubrication labour charges, including charges for lubricants **except** when performed or installed by the vendor in farm implements or farm machinery
- Motor oil and oil additives **except** when installed by the vendor in farm implements or farm machinery
- Naphtha gas
- Non-prescription drugs and medicaments (e.g. pain relievers, vitamins and ointments)
- Parts, including used parts (see "Section C - Repairs" for details on the taxation of used parts)
- Peat moss and vermiculite
- Pens
- Postcards
- Purchases by non-residents **except** when the goods are shipped out of province by the vendor. **(Non-resident vehicle repairs are subject to tax.)**
- Repair labour **except when performed by the vendor on farm implements or farm machinery**
- Sales to Indians for goods not delivered to a reserve, and repairs performed off reserve
- Sand bags
- Seat covers
- Solvent
- Starting fluid
- Sunglasses
- Suntan lotions
- Tires **except** tires specifically designed as farm implement tires
- Tire repairs and installation **except** for repairs to tires specifically designed as farm implement tires

- Tire road hazard extended warranties **except** for farm implement tires
- Tire warranty adjustments **except** for farm implement tires (tax applies to the charges to the customer)
- Transmission oil **except** when installed by the service station in farm implements or farm machinery
- Truck boxes and hoists whether purchased separately or with the vehicle
- Truck racks
- Used parts (see "Section C - Repairs" for details on the taxation of used parts)
- Welding machines and welders, including tips and other related accessories **except** when purchased for farm use, upon completion of a Farm Exemption Certificate or equivalent, but not accessories purchased subsequent to the initial purchase of a welding machine or welder
- Welding rods **except** when purchased for farm use upon completion of a Farm Exemption Certificate or equivalent
- Wheel balancing and wheel alignment charges, including charges for parts or materials invoiced to the customer
- Windshield scrapers and brushes
- Windshield washer antifreeze
- Windshields, windshield installation charges, and windshield repairs

B. EXEMPT SALES

- Books - paper back, hard cover
- Car cleaning, washing and waxing
- Children's clothing and footwear when purchased for children age 14 and under
- Comic books
- Confections, including candies, nuts and soft drinks
- Fertilizer
- Firewood, firelogs, Dura Flame, Presto
- Food and drink
- Gasoline and propane
- Goods and labour purchased by other vendors for resale (the purchaser's Provincial Sales Tax licence number must be recorded on the sales invoice)
- Goods sold to non-residents when the goods are shipped out of province by the vendor (evidence of shipment must be retained) **but not** goods that are picked up by the purchaser (including vehicle repairs)
- Goods sold to the federal government
- Ice
- Magazines and periodicals
- Matches
- Newspapers
- Sales of goods to Indians delivered directly to the reserve and repair labour performed on reserve, upon presentation of a Certificate of Indian Status identification card issued under the Indian Act. 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.
- Sales under 26 cents
- Towing and battery boosting
- Vehicle safety inspection charges (SGI)
- Weed control chemicals

C. REPAIRS

The tax must be collected on new and used parts and labour charges, except for repairs to exempt farm implements.

On the sale of used parts to individuals, tax applies to the selling price of the goods less a deduction of \$300 per item. The \$300 deduction does not apply to sales of items for commercial use.

On the sale, to individuals, of used parts with a core value in excess of \$300 the greater of \$300 or the core charge may be deducted, but not both.

D. RECONDITIONED PARTS

Reconditioned or remanufactured goods, such as motors, transmissions, alternators, brake shoes, fuel pumps, water pumps and retreaded tires, are subject to tax on the total selling price. If an exchange unit is traded-in, the tax must be calculated on the cash difference. **A refund of tax is permitted on core credits.**

E. SHOP SUPPLIES

A vendor who charges a customer for shop supplies must collect the tax on this charge, providing it is shown separately on the customer's sales invoice. The vendor is not required to remit the tax on the purchase cost of the shop supplies.

Shop supplies include the following:

- Abrasive stones and discs
- Acid core solder and bits
- Adhesive sealant
- Bearing grease
- Bench lubricant
- Brass rods
- Carburetor solvent
- Chassis grease
- Choke cleaner
- Door ease
- Electric rods
- Electrical tape
- Fibreglass
- Gasket material
- Gasket sealer compound
- Glue
- Lubriplate paste
- Masking paper
- Mechanical wire
- Minor hardware (nuts, bolts, washers)
- Parts cleaning solvent
- Permatex compound
- Protective material
- Resin
- Silicone spray
- Solder
- Steel wool
- Steel rods
- Undercoat
- Upholstery cleaner
- Window weld
- Wiping rags

If the customer is not invoiced for shop supplies, the business is required to pay tax on their cost of the shop supplies used in the repair.

F. FARM REPAIR PARTS AND MAINTENANCE ITEMS

The following rules apply to farm implement and farm machinery repair parts and maintenance items, including air filters, fuel filters, oil filters, cultivator bolts, bearings, hydraulic hose and fittings, spark plugs, batteries, generators, fan belts and repair parts for electric motors, and stationary internal combustion engines:

- Parts which are designated as farm implement and farm machinery replacement parts by the manufacturer or wholesale distributor are exempt when sold over the counter or installed by the vendor.
- Parts which are interchangeable for use in motor vehicles and installed in farm implements or farm machinery by the vendor are exempt **but not** parts which are interchangeable for use in motor vehicles and sold over the counter.
- Oil, grease and other additives installed in farm implements or farm machinery by the vendor are exempt **but not** oil, grease and other additives which are sold over the counter.

G. DISPOSAL AND ENVIRONMENTAL LEVIES

Charges billed to a customer for disposal of oil, oil filters, tires and batteries are exempt from tax, providing they are shown separately on the invoice.

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. 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.

J. 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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