



Information Bulletin

PST-17

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THE PROVINCIAL SALES TAX ACT

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READER SURVEY

INFORMATION FOR HARDWARE AND BUILDING SUPPLY 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).

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- I. Goods and Services for Your Own Use
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A. PRODUCT LIST/TAX STATUS

- Absorbent cotton - taxable
- Agriculture feeds - exempt
- * Air compressors - taxable
- Air deodorizers and fresheners- taxable
- Ammonia - taxable
- Antifreeze - taxable
- Appliances and furniture - taxable
- Automotive parts - taxable
- Baler twine and wire - taxable (exempt when sold to a farmer)
- Barbecues, barbecue charcoal, starter fuel - taxable
- * Barbed wire – taxable
- Batteries - taxable (hearing aid batteries are **exempt**)
- Bedding plants, vegetables - taxable
- Belts and buckles - taxable

* Exempt with a Farm Exemption Certificate or Equivalent - refer to section C.

- Bicycles - taxable
- Bird gravel - taxable
- Bolts - cultivator - exempt, hex and carriage - taxable
- Books - paper back, hard cover - exempt
- Brooder equipment and room accessories - taxable (exempt when sold to a farmer)
- Brooms – taxable
- Building materials - taxable
- Bulbs - garden, flower - taxable
- Buttons and clothing fasteners - taxable
- Cages (rabbit, mink, fox and chinchilla) - taxable (exempt when sold to a farmer)
- Camera supplies - taxable
- Carpets - taxable
- Cement, cement mixers -taxable
- Chain saws - taxable
- Children's clothing, footwear, and party costumes - exempt (taxable for children over 14 years of age)
- Christmas trees - artificial - taxable, natural - taxable
- Cleaners - glass, household, oven, rug, upholstery, toilet, window - taxable
- Clocks - taxable
- Clothing for adults - taxable
- Coffee filters - taxable
- Dairy thermometers - taxable (exempt when sold to a farmer)
- Disinfectants - taxable
- Dog chews - rawhide - taxable
- Doors - taxable
- Drano - taxable
- Dust removers - taxable
- Electric fencers - taxable (exempt when sold to a farmer)
- Electric monitors for implements - taxable (exempt when sold to farmer)
- * Electric motors - taxable
- Electrical appliances - taxable
- Electrical supplies: cords, plugs, fuses, light bulbs - taxable
- Environmental levies on oil, oil filters, tires, and batteries - exempt
- Fabric materials - taxable
- Fence pickets purchased by farmers, including wooden posts, pickets or stakes that may be treated to prevent deterioration and which have not been planed, squared or otherwise processed into finished lumber are exempt. Corral slabs for farm fencing are also exempt, **but** not rough cut lumber
- * Fence staples - taxable
- Fertilizers - exempt
- Film - taxable
- Firelogs - Dura Flame, Presto - exempt
- Fishing supplies - taxable
- Fixtures - household - taxable
- Floor coverings - taxable
- Flowers - cut, artificial - taxable
- Food and drink - exempt
- Footwear for adults - taxable
- Fungicides - taxable (exempt when sold to a farmer)
- Furniture polish - taxable
- Fuses - taxable
- Games - taxable

* Exempt with a Farm Exemption Certificate or Equivalent - refer to section C.

- Garbage bags - taxable
- * Garden and lawn tractors and attachments - taxable
- Garden tools, equipment, furniture - taxable
- Germicides - taxable
- Gloves - rubber/disposable, cloth - taxable
- Glues - taxable
- Grain loss monitors - taxable (exempt when sold to a farmer)
- Handbags - taxable
- Heating pads - taxable
- Herbicides - exempt
- High pressure washers - taxable
- Hot water bottles and ice bags - taxable
- Humidifiers - taxable
- Hunting supplies - taxable
- Hydraulic fluids & oils - taxable (exempt if installed by the dealer into farm implements)
- Implement tires - exempt
- Incubators and accessories - taxable (exempt when sold to a farmer)
- Insecticides, coils, sprays - taxable
- Insect repellents - taxable
- Jars - canning - taxable
- Kerosene - taxable
- Kitchen ware, utensils - taxable
- Kitty litter - taxable
- Kleenex – taxable
- Labour (see page 5)
- Lawn mowers (walk behind) - taxable
- * Lawn mowers (riding) - taxable
- Licences - fishing and hunting - exempt
- Light bulbs - taxable
- Lighter fluid - taxable
- Lighters - taxable
- Livestock medicaments, including sprays for warbles and similar diseases - exempt
- Livestock scales, clippers, tags, tattooing tools and ink, magnets, branding irons, tying chains, bull nose rings - taxable (exempt when sold to a farmer)
- Lubricants – taxable
- Lumber supplies, including rough cut lumber - taxable
- Magazines - exempt
- Manure - exempt
- Maps - taxable (Atlases are **exempt**)
- Matches - exempt
- Moisture meters - grain and hay - taxable (exempt when sold to a farmer)
- Mothballs - taxable
- Motor oil - taxable (exempt if installed by the dealer in farm implements)
- Newspapers - exempt
- Notions - taxable
- Paper - toilet, towels, wax, napkins - taxable
- Paint and paint supplies - taxable
- Peat moss - taxable
- Peroxide - taxable
- Pet food, including vitamins and dietary supplements - taxable
- Pet supplies - taxable

* **Exempt with a Farm Exemption Certificate or Equivalent - refer to section C.**

- Pet toys - taxable
- Photo albums - taxable
- Pictures, picture frames - taxable
- Pipes, pipe cleaners, pipe filters - taxable
- Plants - taxable
- Plumbing supplies - taxable
- Polish - shoe, floor, furniture, metal, automotive - taxable
- * Post hole diggers and drivers - taxable
- Potted plants - taxable
- Potting soil - exempt
- Power generators - taxable
- Propane - exempt
- Pumps
 - Calcium chloride pumps - taxable (exempt when sold to a farmer)
 - Fuel pumps - taxable
 - Portable self-priming large diameter discharge pumps used solely for water drainage purposes and small discharge water pumps used for other than residential purposes - exempt
 - Pumps and meters designed for use with herbicides - exempt **but** pumps, meters and repair parts which are interchangeable for use on fuel pumps or meters - taxable.
- Rebar - taxable
- Repair labour (see page 5)
- * Roto-tillers - taxable
- Roller chain and links - taxable (exempt when sold to a farmer)
- Seeds - flower, vegetable, grass, bird, garden - taxable
- Shelving - taxable
- Shrubs - taxable
- Silage bags - taxable (exempt when sold to a farmer)
- Snack foods - exempt
- Snowblowers - taxable
- Soil testers - taxable (exempt when sold to a farmer)
- Sporting goods - taxable
- Tarps
 - general purpose and truck - taxable
 - bale tarps - taxable (exempt if specifically designed to cover bales)
- Tires - taxable
- Thermometers - taxable
- Tools (hand and power) - taxable
- Trees - artificial - taxable
 - natural - taxable
- Tropical plants - taxable
- Truck boxes and hoists - taxable
- * Veterinary instruments, including calf weaners, ear notchers, emasculators, castrators, dehorners, and calf pullers – taxable
- Water softener salt - taxable
- Water tanks - taxable (exempt when sold to a farmer)
- Waxes and conditioners for floors and furniture - taxable
- Weed control chemicals - exempt
- * Welding machines and welders including tips and welding accessories when purchased with a welding machine or welder - taxable
- Welding accessories - taxable
- * Welding rods - taxable
- Windows - taxable

* **Exempt with a Farm Exemption Certificate or Equivalent - refer to section C.**

B. REPAIR LABOUR

Repair labour is subject to tax. Repair labour includes labour service to install, assemble, dismantle, repair, adjust, restore, recondition, examine, refinish or maintain tangible personal property. Taxable repair services include contracts for the service, maintenance or warranty of tangible personal property. Businesses repairing goods are required to collect tax on the labour charges.

Repairs to exempt goods, such as farm production machinery and equipment are exempt from tax.

C. FARM EXEMPTION CERTIFICATES OR EQUIVALENT

For items which indicate a farm exemption or equivalent required, the business must:

- (i) complete a Farm Exemption Certificate and keep it on file; or
- (ii) print, type, write or apply by rubber stamp, on the sales invoice or other document supporting the sale, the following information:

Land Description Sec ____ Twsp ____ R ____ M ____.

I hereby certify the goods listed on this invoice will be used solely in the operation of my farm.

Date

Signature of Farmer

Completed Farm Exemption Certificates must be retained by the business for a minimum of three years and should not be forwarded to the Revenue Division.

D. EXEMPTIONS FOR FARMERS

Parts which are designated as farm implement and farm machinery replacement parts by the manufacturer or wholesale distributor are exempt from the tax when sold over the counter or installed by the dealer. The labour to install the parts is exempt from tax.

Parts which are interchangeable for use in motor vehicles and the labour to install the parts in farm implements or farm machinery by the dealer are exempt from tax **but not** parts which are interchangeable for use in motor vehicles and sold over the counter. If the parts are taxable so are the labour charges.

E. OTHER EXEMPT SALES

Hardware and building stores are not required to collect the tax on the following sales:

- Goods sold to other businesses for resale (the purchaser's Provincial Sales Tax vendor's licence number must be recorded on the sales invoice)
- Goods sold to residents of other provinces when the goods are shipped out of Saskatchewan by the retailer (evidence of shipment must be retained)
- Goods sold to the federal government

- 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.

F. READY-TO-MOVE HOMES

Hardware and building supply stores that sell residential ready-to-move homes on a supply only basis are required to collect tax at the rate of 2.5% on the total selling price, excluding the GST.

A hardware and building supply store that sells residential ready-to-move homes by supply and install contract is required to pay tax at the rate of 5% on the cost of all materials purchased to build the home.

Tax at the rate of 5% must be collected on the selling price of appliances, free standing furniture and draperies sold with a ready-to-move home. For further information, please refer to Information Bulletin PST-11 (Ready-To-Move Home Builders).

G. SUPPLY AND INSTALL CONTRACTS

Hardware and building supply stores that enter into a contract for the repair, renovation or improvement of real property (a building or other structure attached to land) are considered to be the consumer of materials incorporated into the property. Tax must be paid on the cost of equipment and construction materials. For further information, please refer to Information Bulletin PST-12 (Contractors).

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 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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