



Information Bulletin

PST-36

Issued: June, 1994

Revised: October, 2006

THE PROVINCIAL SALES TAX ACT

Was this bulletin useful?

Click here to complete our short
READER SURVEY

INFORMATION FOR BEAUTY SALONS AND BARBER 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.

Changes to this bulletin are indicated by a bar (|) in the left margin.

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

- A. Application of the Provincial Sales Tax
- B. Your Registered Consumer Number
- C. Remitting the Tax
- D. Goods and Services for Your Own Use
- E. Sales of Used Business Assets
- F. Saskatchewan Electronic Tax Service (SETS)

A. APPLICATION OF THE PROVINCIAL SALES TAX

Charges for hairdressing services and other services, such as manicures, pedicures, facials, etc. are not subject to tax.

Tax is applicable on the retail sale of beauty care products, jewellery and cosmetics.

B. YOUR REGISTERED CONSUMER NUMBER

A registered consumer number is issued to businesses who purchase goods for use in providing services and make a minimal amount of retail sales. This number cannot be used to purchase goods tax exempt.

C. REMITTING THE TAX

The following rules apply regarding the payment of Provincial Sales Tax:

- Businesses who retail products and also use these products in providing services should pay the Provincial Sales Tax directly to their suppliers.

- Tax must be collected from the customer on the sale of products. When filing your return, you should report the tax on the mark-up only. You must deduct the tax that was paid to the supplier (on the items which were sold and the tax was collected) from the tax that was collected from the customer and report the difference on your return form.
- To simplify the calculation of the tax owing on sales, a mark-up on purchases **or** a mark-down from sales may be used in determining the tax owing.

Example:

Assume a 30% mark-up:

Purchases x 1.30 = Sales
Sales x 5% = Tax Collected
Tax Collected on Sales - Tax Paid on Purchases = Tax Payable

OR

Sales ÷ 1.30 = Purchases
Purchases x 5% = Tax Paid on Purchases
Tax Collected on Sales - Tax Paid on Purchases = Tax Payable

- If you have a vendor's licence, the total tax collected on retail sales must be submitted. In addition, tax must be paid on the purchase price of all supplies that are taken from inventory for use in performing your services.

D. 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.

E. 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.

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. 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>

To receive automatic e-mail notification when this (or any other) bulletin is revised, click on the [Bulletin Index](#) and then click on the "Subscribe" button next to the bulletins you are interested in.