



Information Bulletin

PST-47 Issued: December, 1995 Revised: June, 2003

THE PROVINCIAL SALES TAX ACT

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INFORMATION FOR VENDORS PROVIDING LODGING

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. Lodging
- B. Exempt Lodging and Other Charges
- C. Taxable Services and Charges
- D. Sales of Used Business Assets
- E. Goods and Services for Your Own Use
- F. Saskatchewan Electronic Tax Service (SETS)

A. LODGING

Lodging in hotels, motels, cabins, cottages, clubs and other similar accommodation for a continuous period of less than 30 days is a taxable service. Tax must be collected on these charges.

If the lodging is supplied for a continuous period of 30 days or more, tax does not apply to any of the lodging period. Any tax collected during this period should be refunded to the customer.

Lodging supplied for a period of 30 days or more to travel agencies for resale to their customers is subject to tax. Travel agencies are not required to collect tax from their customers but must pay the tax on the purchase price to the supplier of the lodging.

Lodging supplied to Indians off reserve is subject to tax.

Lodging supplied to non-residents of Saskatchewan is subject to tax. A refund of tax paid is not available.

For further information on lodging provided by tourist outfitters, vacation farms and bed and breakfast facilities, please refer to Information Bulletin PST-31.

B. EXEMPT LODGING AND OTHER CHARGES

The following types of lodging and other charges are not subject to tax:

- The rental of public rooms in hotels used for special functions, including meetings, weddings, etc.
- Lodging supplied by the Salvation Army or other similar institutions as charity
- Lodging supplied by religious or other organizations to their own members or their guests on a casual basis at summer camps and similar functions
- Lodging supplied to students, patients, residents or employees in educational institutions, hospitalizing institutions, nursing homes or senior citizen homes
- Lodging supplied in boarding houses
- Lodging in tent or trailer sites supplied by a campground or trailer park
- Lodging provided free of charge to employees or entertainers of hotels, motels, etc.
- Lodging supplied by universities and colleges on a casual basis during the summer months
- Lodging supplied to employees in mining, lumber, construction and similar camps, even if the lodging is for less than one month
- Lodging supplied to federal government departments and agencies, other than Crown corporations (employees who are billed directly are required to pay the tax)
- Telephone calls (the provider of the service must pay tax to the telephone company for telephone calls)
- Soft drinks and confectionery items
- Newspapers and magazines
- Room service
- Internet services (the business must pay tax to the Internet provider for the service)

C. TAXABLE SERVICES AND CHARGES

The following types of services and charges are subject to tax:

- Laundry and dry cleaning services charged to guests (the business may purchase these services for resale tax exempt by quoting their Provincial Sales Tax license number to their supplier)
- Effective June 1, 2003, in-house movie services charged to guests (the business may purchase the service exempt by quoting their Provincial Sales Tax licence number to their service provider)
- Charges to guests for the rental of movies on video cassette (businesses may purchase their video cassette inventory tax exempt by quoting their Provincial Sales Tax licence number to their supplier. However tax must be paid on the cost of cassette cases)

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

E. 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.

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: 306-787-6653

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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