



# Information Bulletin

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**READER SURVEY**

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No. PST-51

## **RE: LIVESTOCK AND HORTICULTURAL FACILITIES INCENTIVE PROGRAM**

### **INFORMATION FOR GENERAL CONTRACTORS AND ELIGIBLE APPLICANTS**

This bulletin describes the reporting requirements for general contractors and eligible applicants under the Livestock and Horticultural Facilities Incentive Program. It is a general guide and not a substitute for The Livestock and Horticultural Facilities (Provincial Sales Tax) Remission Regulations.

The program provides an annual rebate of the 6% Provincial Sales Tax paid on building materials and stationary equipment purchased from March 21, 1997 to December 31, 2000 and used in the construction, renovation or expansion of livestock or horticultural facilities.

#### **Eligible Livestock and Horticultural Facilities**

An eligible "livestock facility" is any permanent structure, or that part of a permanent structure, in Saskatchewan that is used exclusively for the raising of livestock.

An eligible "horticultural facility" is a greenhouse or any permanent structure, or that part of a greenhouse or permanent structure, in Saskatchewan that is used exclusively for the storage of fruit or vegetables, and includes conveyors and bin pilers. It does not include facilities used for the sorting, cleaning or processing of fruit or vegetables.

Manufacturing or processing facilities that change eligible farm products from their primary state to a secondary state are not eligible. In addition, machinery storage buildings, riding arenas, farm shop buildings and materials used to build granaries and fertilizer storage facilities are not eligible under the program.

#### **Eligible Equipment and Materials**

"Eligible equipment" is any stationary equipment, on which tax has been paid, that is permanently installed in or on a livestock facility or horticultural facility.

"Eligible materials" are building materials on which tax has been paid and that are incorporated into a livestock facility or horticultural facility.

Eligible materials and equipment include lumber, metal, rebar, steel, concrete, redi-mix, cement, paint, plastic, electrical supplies, plumbing supplies, water pressure systems, well equipment and other building materials.

Mobile equipment, tools, rental charges and supplies that do not become an integral part of the facility are not eligible. In addition, construction equipment or consumable items used in constructing, expanding or renovating a livestock facility or horticultural facility are not eligible for the rebate.

### **Applying for a Rebate**

The owner of the facility must complete an application form and submit it with the purchase invoices and copies of any contracts to Saskatchewan Agriculture and Food.

Although a contractor may not apply directly for the rebate, the owner may assign the rebate to the general contractor. In this case, the general contractor may submit all the invoices or other acceptable documentation, to verify that tax was paid, to Saskatchewan Agriculture and Food.

There is a \$500 deductible on the amount of the rebate payable to an eligible applicant for expenditures made in 1997. The annual deductible limit is \$100 for expenditures made on and after January 1, 1998.

### **Tax-Inclusive Contracts**

When bidding on a contract to construct, renovate or expand eligible facilities, the contractor must include the tax in a total lump sum contract price. **(i.e. The contract price to the principal must be quoted "Provincial Sales Tax included".)**

Contractors must be registered under The Provincial Sales Tax Act and file tax returns with Saskatchewan Finance. If the materials and supplies are purchased in Saskatchewan, the tax must be paid to the supplier. If the materials and supplies are purchased from an unlicensed supplier, usually located outside of Saskatchewan, the tax must be submitted with your tax return.

The tax applies on the laid-down cost of taxable goods brought into Saskatchewan, which includes exchange, freight charges, duty and brokerage fees, but not the GST. Failure to become registered and file returns or remit tax on materials or equipment at the time they are brought into Saskatchewan will result in the tax, penalty and interest being assessed.

### **FOR FURTHER INFORMATION**

#### **(a) Rebate Applications**

Write: Saskatchewan Agriculture and Food  
Livestock and Horticultural Facilities  
Incentive Program  
Room 201  
3085 Albert Street  
Regina, Saskatchewan  
S4S 0B1

Phone: (306) 787-5203

Fax: (306) 787-1315

#### **(b) Tax Reporting Requirements**

Write: Saskatchewan Finance  
Revenue Division  
2350 Albert Street  
Regina, Saskatchewan  
S4P 4A6

Phone: Toll Free 1-800-667-6102  
Regina (306) 787-6645

Fax: (306) 787-9644

Information bulletins and publications are available on the Internet at:  
[www.gov.sk.ca/finance](http://www.gov.sk.ca/finance)