



Information Bulletin

PST-55

Issued: March 2000

Revised: May 2004

THE PROVINCIAL SALES TAX ACT

Was this bulletin useful?

Click here to complete our short
READER SURVEY

INFORMATION FOR CREDIT REPORTING AGENCIES AND COLLECTION AGENCIES

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 Credit and Collection Fees
- B. Exempt Credit and Collection Fees
- C. Sales of Used Business Assets
- D. Goods and Services for Your Own Use
- E. Saskatchewan Electronic Tax Service (SETS)

A. TAXABLE CREDIT AND COLLECTION FEES

Credit reporting and account collection services are subject to Provincial Sales Tax if that service:

- relates to a physical location, transaction, activity or contemplated transaction or activity in Saskatchewan; and,
- is provided to a person who resides, ordinarily resides or carries on business in Saskatchewan at the time the service is provided.

Taxable credit and collection services include:

- Credit checks, credit rating reports and skip tracing;
- Seizures of real property and/or tangible personal property (excluding court ordered seizures); and,
- Fees charged to Saskatchewan residents for collecting unpaid accounts, and on fees charged to businesses with branch offices in Saskatchewan for collecting unpaid accounts. This includes contingency fee arrangements.

B. EXEMPT CREDIT AND COLLECTION FEES

- Fees for serving legal documents.
- Fees for court ordered seizures.
- Fees for the services of a Commissioner for Oaths or Notary Public.
- Fees for writing/replacing NSF cheques.
- Fees charged to non-resident businesses for collecting accounts from non-residents of Saskatchewan.
- Charges billed to clients for disbursements such as travel, sustenance, accommodation, and towing are not subject to tax when clearly **segregated** on the invoice as a separate charge from the seizure fee.
- **Segregated** charges billed to clients for cleaning, storage, advertising, and sales fees are not subject to tax as these services do not directly relate to the seizure.

C. 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.

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. 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.