Ministry of Finance

Revenue Division
2350 Albert Street
Regina, Saskatchewan
S4P 4A6

Information Bulletin

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READER SURVEY

THE PROVINCIAL SALES TAX ACT

INFORMATION FOR SERVICE ENTERPRISES

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 bar (|).

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

A. Registration Requirements
B. Exempt Services
C. Taxable Services
D. Incidental Retail Sales
E. Goods for Own Use
F. Sales of Used Business Assets
G. Saskatchewan Electronic Tax Service (SETS)

A. REGISTRATION REQUIREMENTS

Businesses that provide exempt services are not required to hold a vendor's licence. A registered consumer number is issued to businesses that purchase goods for use in providing exempt services and make a minimal amount of retail sales. This number cannot be used to purchase goods tax exempt.

B. EXEMPT SERVICES

Examples of businesses that provide exempt services include the following:

Banks
Barbers
Beauty salons
Car washes
Daycare centers
| Fitness centers
| Landscapers
Physicians
| Spas
| Tanning salons
Taxidermists
Travel agencies

C. TAXABLE SERVICES

Individuals or businesses engaged in the following activities are providing taxable services and must be licensed as vendors to collect tax on these services.

- Accounting services
- Advertising services
- Architectural services
- Commercial building cleaning services
- Computer programs and services
- Credit reporting or collection services
- Dry cleaning or laundry services
- Employment placement services
- Engineering services
- Extended warranty and maintenance contracts for new and used goods
- Legal services
- Lodging in hotels, motels, hostels, apartment houses, lodging houses, cabins, cottages, vacation farms, outfitter camps, and other similar accommodation for a period of less than 30 consecutive days
- Real estate services
- Repair or installation services
- Security and investigation services
- Telecommunication services, such as telephone services, cable/satellite services, television services, alarm system services, pager services, facsimile services, electronic messaging services and Internet services
- Telephone answering services
- Veterinary services

D. INCIDENTAL RETAIL SALES

Service enterprises that make incidental retail sales of goods must collect the tax from the customer. The tax that was paid to the supplier (on the items which were sold) should be deducted from the tax that was collected from the customer, and the difference reported on the return form.

E. GOODS FOR OWN USE

Service enterprises are required to pay tax on purchases of equipment and supplies used in their business and in providing their services. If the equipment and supplies are purchased from a licensed supplier, the tax must be paid to the supplier. If the equipment and supplies are purchased from an unlicensed supplier located outside Saskatchewan, the tax must be submitted with your return on the laid down cost, which includes exchange, transportation charges, customs and excise duties and importation charges, but not the GST.

F. 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.

Note: For information on the exemption of tax on "eligible used light vehicles", please refer to Information Bulletin PST-58.

G. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)

Saskatchewan Ministry of 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: Ministry of 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@gov.sk.ca

Fax: 306-787-9644

Internet: Provincial Sales Tax bulletins, forms and information are available on the Internet at:

http://www.finance.gov.sk.ca/taxes/pst

To receive automatic e-mail notification when this (or any other) bulletin is revised, go to www.finance.gov.sk.ca/taxes, click on the "What's New" information then click on the "subscribe" button.