



Ministry of
Finance

Revenue Division
2350 Albert Street
Regina, Saskatchewan
S4P 4A6

Information Bulletin

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THE PROVINCIAL SALES TAX ACT

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INFORMATION FOR RESTAURANTS

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. Licensing Requirements
- B. Meals, Liquor and Miscellaneous Sales
- C. Goods and Services for Your Own Use
- D. Sales of Used Business Assets
- E. Saskatchewan Electronic Tax Service (SETS)

A. LICENSING REQUIREMENTS

Businesses that make retail sales of exempt or taxable products are required to become licensed as a vendor. Vendors are required to file monthly, quarterly or annual returns depending on the volume of taxable sales and the amount of tax collected. You will be advised of your filing frequency.

B. MEALS, LIQUOR AND MISCELLANEOUS SALES

Meals and liquor are not subject to Provincial Sales Tax. However, liquor is subject to Liquor Consumption Tax at the rate of 10% on the total price paid by your customer, excluding GST. For information on Liquor Consumption Tax, please refer to Information Bulletin LCT-1. Copies of this bulletin are available on request.

Restaurants are required to collect tax on sales of cigarettes and other tobacco products, and on items such as souvenirs, postcards, pens, combs, batteries and film.

C. 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, tax must be paid to the supplier. If they are purchased from an unlicensed supplier located outside Saskatchewan, tax must be submitted with your return on the laid down cost, which includes exchange, transportation charges, customs duties, and importation charges, but not the GST.

Restaurants are not required to pay tax on any items purchased for resale or on non-returnable containers sold with food. Restaurants must quote their Provincial Sales Tax vendor's license number to their suppliers to acquire these items tax free.

Goods and services on which the tax must be paid include:

- Accounting and legal services
- Bar equipment
- Bleach
- Cash registers
- Cash register tapes
- Cleaning and maintenance supplies
- Coasters
- Coffee machines
- Cutlery
- Dishes
- Furniture
- Kitchen equipment
- Meal checks
- Menus
- Napkins - paper, cloth
- Office equipment and supplies
- Paper towels
- Place mats
- Restaurant equipment
- Sales flyers and similar advertising matter
- Soft drink dispensers
- Stationery supplies
- Table lamps and candles
- Toilet tissue
- Toothpicks
- Utensils

Goods in the category of exempt packaging materials and disposable containers sold with food include:

- Boxes - paper, plastic, styrofoam
- Cocktail picks
- Cups - plastic, styrofoam, paper
- Paper bags
- Paper or plastic butter dishes
- Paper liners for ice cream dishes
- Paper plates
- Plastic spoons, knives and forks
- Sandwich bags
- Straws
- Stir sticks
- Swizzle sticks
- Wrapping paper and wax paper used to wrap food for sale to customers

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

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

E. 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. The Saskatchewan Electronic Tax Service (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

<u>Write:</u>	Ministry of Finance Revenue Division 2350 Albert Street Regina, Saskatchewan S4P 4A6	<u>Telephone:</u>	Toll Free 1-800-667-6102 Regina 306-787-6645
		<u>E-mail:</u>	sask.tax.info@gov.sk.ca
		<u>Fax:</u>	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.