

Provincial Sales Tax

Many businesses operating in the Province of British Columbia must apply to the Consumer Taxation Branch for registration as a vendor under the *Social Service Tax Act* before commencing business. You are required to register as a vendor with the Consumer Taxation Branch if you engage in any of the following business activities.

- Regularly make taxable sales of goods, or lease taxable goods as a lessor.
- Provide legal services in British Columbia.
- Sell taxable parking within the Vancouver Regional Transit Service Area.
- Provide taxable services. A taxable service is any service provided to install, assemble, dismantle, repair, adjust, restore, recondition, refinish, or maintain tangible personal property.
- Sell a telecommunication service.
- Sell propane.
- Act as a liquidator, receiver, receiver-manager, or trustee and dispose of assets in the course of your business.

Persons who do not make regular taxable sales or leases do not need to register as vendors. These include:

Businesses selling only non-taxable goods such as a fresh fruit and vegetable stand, or services that are not taxable. If the business plans to add any taxable goods to its resale inventory, or provide any taxable services, it must first register as a vendor.

Persons who are not in business but who occasionally dispose of personal goods through garage sales, flea markets, or fund raising sales. In such cases, however, tax should be collected and remitted to the Consumer Taxation Branch on all sales.

Wholesalers who do not make retail sales.

Contractors exclusively involved in the construction or improvement of real property.

If you are unsure whether you are required to register, please contact the nearest Consumer Taxation Branch office. The branch staff will be pleased to assist you.

To register as a vendor, attend the One Stop Business Registration Terminal (located in the Provincial Government Building). Once you have registered, the Consumer Taxation Branch will assign you a registration number, and send you a registration certificate and information concerning the collection and remittance of social service tax. Please note, the Certificate of Registration does not take the place of a business licence, which should be obtained from your city or municipal office.

Persons not required to register with the Consumer Taxation Branch are still responsible for collecting and remitting tax if they occasionally make taxable sales or leases. In such cases, you should obtain a "Return of Tax Collected on the Sale of Taxable Tangible Personal Property by a Seller Not Registered under the *Social Service Tax Act*" form (FIN 428), available from all Consumer Taxation Branch offices. Instructions for remitting the tax due are provided on the form.

Businesses operating in British Columbia must also remit tax on the purchase or lease price of all goods acquired outside of British Columbia for use or consumption in their business operations in this province. The tax due must be remitted to the Consumer Taxation Branch at the time the goods are brought into the province. This applies to goods such as operating supplies, tools, equipment, or other items that are not directly resold.

Examples of Taxable Sales and Leases

Goods

"Taxable sales or leases of goods" include the sale, lease, or rental of all goods except those specifically exempted under the Act.

For example, you must be registered as a vendor if you regularly sell or lease any of the following items (not a complete list).

- Alcoholic beverages.
- Automotive parts and supplies.
- Building materials.
- Cigarettes and other tobacco products.
- Flowers.
- General merchandise such as cosmetics, appliances, souvenirs, clothing, and art supplies.
- Household or office furniture.
- Motor vehicles.
- Propane.

Taxable Services

You must be registered if you sell a service that meets the definition of taxable service above, unless the service is specifically exempted under the Act. Examples of taxable services include the following (not a complete list).

- Automobile maintenance and repairs.
- Furniture repairs, re-upholstery, and refinishing.
- Installation and servicing of computer software.
- Maintenance of business equipment, such as cash registers, photocopiers, and computers.
- Watch repair and maintenance.

Additional Information:

What Other Information Is Available?

The Consumer Taxation Branch publishes a variety of information bulletins on provincial sales taxes, including the social service tax.

A list of the bulletins is printed in the pamphlet, "Your Responsibilities as a Vendor or Lessor under the *Social Service Tax Act*". When you register with the branch, a copy of this pamphlet is automatically mailed to you.

You may contact your nearest Consumer Taxation Branch or Government Agents office to obtain information bulletins related to your business. In addition, you may contact the local Consumer Taxation Branch staff for answers to any questions you have about the application of social service tax legislation.

For More Information:

Internet: <http://www.fin.gov.bc.ca/ctb/publications/bulletins/044.htm>

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