



Special Occasion Liquor Licences

Provincial Sales Tax Act

This bulletin provides information to help you understand how PST applies to liquor purchased and sold under a Special Occasion Licence.

Table of Contents

Special Occasion Licences.....	1
Licences Issued on or after April 1, 2013.....	1
Licences Issued before April 1, 2013 for Liquor Sold Under the Licence on or after April 1, 2013	3

Special Occasion Licences

If you sell liquor anywhere, or serve liquor at a location that is not a residence or a licensed establishment, you need a Special Occasion Licence. You can purchase a Special Occasion Licence at any BC Liquor Store.

For information on special occasion licences, visit a BC Liquor Store near you or see their [website](#).

Licences Issued on or after April 1, 2013

Purchases

When you purchase a Special Occasion Licence you will be required to:

- estimate the amount and the expected selling price of the liquor you will sell, and
- pay an amount equal to the 10% PST (PST equivalent amount) on the mark-up (i.e. the difference between the price you pay for the liquor and the expected selling price) if you will be selling liquor at or above the price you pay for the liquor.

At or after the time you purchase a Special Occasion Licence, you can purchase liquor using that licence. When you purchase the liquor, you will pay PST at 10% on the purchase price of the liquor.

If you will be selling the liquor at or below the price you pay for it, or you do not charge for liquor you provide at the event (i.e. an open bar), you pay PST only when you purchase the liquor. You will not be required to pay the PST equivalent amount when you purchase the licence.

Example

You purchase a Special Occasion Licence and \$500 in liquor for your wedding. You expect to sell the liquor for \$800 at the wedding. The PST you pay when you buy the liquor will be \$50.00 and the PST equivalent amount you pay when you purchase the licence will be \$30.00, calculated as follows:

Your cost of the liquor purchased (10% PST on \$500) = \$50.00

Your expected mark-up amount (10% PST on \$300) = \$30.00

Total amount due = \$80.00

The BC Liquor Store manager calculates and collects the PST equivalent amount on the mark-up based on your estimated liquor sales at the event.

When you sell the liquor at the event, you are required to collect the PST on the sales of liquor (see below).

Sales

During your event, you are required to charge 10% PST on the sale of liquor or alcoholic beverages, such as:

- beer (draft, canned or bottled)
- wine
- spirits and liqueurs
- coolers and ciders
- mixed drinks, and
- any other alcoholic beverage with an alcohol content of more than 1%.

You can include the 10% PST in the sale price of the liquor or charge it separately.

If the PST you collect on your sales is equal to the PST you paid on the liquor plus the PST equivalent amount you paid when you purchased the licence, you are entitled to keep all the PST you collect on the sale of the liquor.

Actual Liquor Sales are Greater than Estimated

If your actual liquor sales are greater than what you estimated when you purchased the Special Occasion Licence, or you sell the liquor at a higher price, you must remit to the ministry the amount of PST collected **less** the total of:

- any PST you paid when you purchased the liquor, and
- the PST equivalent amount you paid on the mark-up when you purchased the licence.

You must remit the additional PST to the ministry on or before the last day of the month after the month in which the Special Occasion Licence expires. For example, if the licence expires on May 2nd, you must remit the additional PST on or before June 30th.

If you are a PST collector who files monthly, you may remit the additional PST collected on your PST return for the reporting period that includes the month in which the Special Occasion Licence expires. However, if you are not a collector or if you are a PST collector who does not file monthly returns, you must file a special remittance to remit the additional PST collected.

Your special remittance must be remitted before the last day of the month following the month in which the licence expires.

More information on how to remit the additional PST collected to the ministry will be provided in the near future.

Refunds

Cancelled Events and Returns of Unsold Liquor

If your event is cancelled or you have unsold liquor at the end of your event, you can get a refund of the PST you paid on any liquor you purchased, provided you return the unsold liquor to the liquor store. The BC Liquor Store will refund the PST you paid on the liquor but you will need to apply to the ministry for a refund of the PST equivalent amount you paid on the mark-up.

Actual Selling Price was Less than Estimated

You may also apply for a refund from the ministry if the actual selling price of the liquor was less than you originally estimated. The ministry will refund the difference between the PST equivalent amount you paid on the mark-up and the amount that should have been paid based on the lower selling price.

To apply for a refund, please provide us with the relevant refund application form (available in the near future) and the following:

- a statement explaining the reason for claiming the refund,
- the Special Occasion Licence showing the PST equivalent amount paid on the mark-up,
- documentation from the BC Liquor Store confirming you returned the liquor (such as a copy of a refund receipt from the BC Liquor Store),
- cash register tapes verifying the total liquor purchased for the event, and
- sales records indicating the quantity and price of each type of liquor sold.

Send the completed application form and supporting documentation to the ministry at the address indicated on the application form.

More information on how to apply for refunds will be provided in the near future.

Licences Issued before April 1, 2013 for Liquor Sold Under the Licence on or after April 1, 2013

Purchases

When you purchase a Special Occasion Licence before April 1, 2013 in respect of liquor that will be sold under the licence on or after April 1, 2013 you will **not** be required to pay the PST equivalent amount on the mark-up.

If you purchase the liquor before April 1, 2013, you will generally be required to pay HST¹ on the liquor.

If you purchase the liquor on or after April 1, 2013, you will generally be required to pay PST² on the liquor.

Sales

During your event, you are required to charge 10% PST on the sale of liquor or alcoholic beverages, such as:

- beer (draft, canned or bottled)
- wine
- spirits and liqueurs
- coolers and ciders
- mixed drinks, and
- any other alcoholic beverage with an alcohol content of more than 1%.

You can include the 10% PST in the sale price of the liquor or charge it separately.

Remittance of Tax

You must remit to the ministry the PST that you are required to charge and collect less:

- any provincial portion of the HST you paid when you purchased the liquor for which you have not claimed, and are not entitled to claim, a refund, credit or rebate (including input tax credits), and
- any PST you paid when you purchased the liquor for which you have not claimed, and are unable to claim, a refund.

Example 1 – Liquor purchased before April 1, 2013

If you purchase a Special Occasion Licence and \$1000 of liquor under the licence before April 1, 2013 to be sold on or after April 1, 2013, you will pay HST on the purchase of that liquor (subject to the transitional rules). The provincial portion of the HST you will pay on the liquor will be:

$$\text{\$1000} \times 7\% \text{ provincial portion of the HST} = \text{\$70}$$

If you sell the liquor for \$1600 at your event on or after April 1, 2013, you will be required to charge and collect the 10% PST on that liquor. The PST you will charge and collect will be:

$$\text{\$1600} \times 10\% \text{ PST} = \text{\$160}$$

¹ Subject to the PST and HST transitional rules applicable to the purchase of goods. For more information, see [Notice 2012-010](#), *General Transitional Rules for the Re-implementation of the Provincial Sales Tax*, and [CRA Notice 270](#), *Elimination of the HST in British Columbia in 2013 – Questions and Answers*.

² Subject to the PST and HST transitional rules applicable to the purchase of goods. For more information, see [Notice 2012-010](#), *General Transitional Rules for the Re-implementation of the Provincial Sales Tax*, and [CRA Notice 270](#), *Elimination of the HST in British Columbia in 2013 – Questions and Answers*.

If you have not claimed, and are not entitled to claim, a refund, credit or rebate (including input tax credits) of the provincial portion of the HST you paid on the liquor, you will be required to remit the difference between the PST you collect and the provincial portion of the HST you paid. The amount you are required to remit will be:

$$\$160 - \$70 = \$90$$

If you are able to claim a refund, credit or rebate (including input tax credits) of the provincial portion of HST you paid on the liquor you purchased, you will be required to remit the full \$160 of PST you collected.

Example 2 – Liquor purchased on or after April 1, 2013

If you purchase a Special Occasion Licence before April 1, 2013 and buy \$1000 of liquor to be sold under the licence on or after April 1, 2013, you will pay 10% PST on the purchase of that liquor. The PST you will pay on the liquor will be:

$$\$1000 \times 10\% \text{ PST} = \$100$$

If you sell the liquor for \$1600 at your event on or after April 1, 2013, you will be required to charge and collect the 10% PST on that liquor. The PST you will charge and collect will be:

$$\$1600 \times 10\% \text{ PST} = \$160$$

You will be required to remit the difference between the PST you collect and the PST you paid, for which you are unable to claim a refund. The amount you are required to remit will be:

$$\$160 - \$100 = \$60$$

Example 3 – Liquor purchased before, and on or after, April 1, 2013

If you purchase a Special Occasion Licence before April 1, 2013 and under the license you buy \$500 of liquor before April 1, 2013 and \$500 of liquor on or after April 1, 2013, you will pay the HST on the \$500 of liquor purchased before April 1, 2013 and the 10% PST on the \$500 of liquor purchased on or after April 1, 2013. The provincial portion of the HST and the PST you will pay on the liquor will be:

$$\$500 \times 7\% \text{ provincial portion of the HST} = \$35$$

$$\$500 \times 10\% \text{ PST} = \$50$$

$$\text{Provincial portion of HST} + \text{PST} = \$85$$

If you sell the liquor for \$1600 at your event on or after April 1, 2013, you will be required to charge and collect the 10% PST on that liquor. The PST you will charge and collect will be:

$$\$1600 \times 10\% \text{ PST} = \$160$$

If you have not claimed, and are not entitled to claim, a refund, credit or rebate (including input tax credits) of the provincial portion of the HST you paid on the liquor, you will be required to remit the difference between the PST you collect and the sum total of the provincial portion of

the HST and the PST you paid on the liquor for which you are unable to claim a refund. The amount you are required to remit will be:

$$\$160 - \$85 = \$75$$

If you are entitled to claim a refund, credit or rebate (including input tax credits) of the provincial portion of the HST you paid on the liquor, you will be required to remit the difference between the PST you collected and the PST you paid on the liquor for which you are unable to claim a refund. The amount you are required to remit will be:

$$\$160 - \$50 = \$110$$

You must remit the PST to the ministry on or before the last day of the month after the month in which the Special Occasion Licence expires. For example, if the licence expires on May 2nd, the PST must be remitted on or before June 30th.

If you are a PST collector who files monthly, you may remit the additional PST collected on your PST return for the reporting period that includes the month in which the Special Occasion Licence expires. However, if you are not a collector or if you are a PST collector who does not file monthly returns, you must file a special remittance to remit the additional PST collected. Your special remittance must be remitted before the last day of the month following the month in which the licence expires.

More information on how to remit the additional PST collected to the ministry will be provided in the near future.

Refunds

Cancelled Events and Returns of Unsold Liquor

If your event is cancelled or you have unsold liquor at the end of your event, you can get a refund of the PST you paid on any liquor you purchased, provided you return the unsold liquor to the liquor store.

Please contact the Canada Revenue Agency at 1 800 959-8287 for information on whether you would be eligible for a refund of HST.



Need more info?

Online: gov.bc.ca/PST

Toll free in Canada: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

You can access our forms, publications, legislation and regulations online at gov.bc.ca/PST (go to **Forms and Publications**).

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

For up to date information on the return to PST, subscribe to our What's New page at www.sbr.gov.bc.ca/msbr/whats_new/consumer_taxes/whatsnew.htm