

Welding Gases and Equipment

Social Service Tax Act

This notice clarifies how the social service tax, also called the provincial sales tax (PST), applies to welding gases and equipment.

Welding Gases

Effective February 20, 2008, the exemption for catalysts and direct agents was expanded to include chemical substances, catalysts and direct agents used to produce or modify a reaction that is essential for the processing or manufacture of a product for sale or lease.

In the welding process, welding gases may be used to protect the molten weld and the heat-affected zone from oxidation and other contaminants. The gas creates a shield around the weld, protecting it from contamination from the surrounding air. A number of different gases, such as argon or carbon dioxide, may be used as a shielding gas.

Welding gases used in this manner qualify for the exemption, as they produce or modify a reaction that is essential for the processing or manufacture of a product for sale or lease.

Please note: Not all welding gases qualify for the exemption. Welding gases that are not used to produce or modify a reaction that is essential for the processing or manufacture of a product for sale or lease remain taxable. For example, welding gases used to repair customer owned goods are taxable because they are not used for processing or manufacturing a product for sale or lease.

In addition, gases (such as oxygen) that are used to produce energy (such as heat) during the welding or cutting process continue to be specifically excluded from exemption.

Welding Gas Nozzles, Contact Tips, Torches and Hoses

Welding gas nozzles, contact tips, torches and hoses are essential parts of the equipment used in the welding process. Although nozzles and contact tips are replaced frequently because of the nature of the welding process, they are considered parts and not consumables.

Therefore, welding gas nozzles, contact tips, torches and hoses that are used primarily, and directly, in a manufacturing process that transforms raw materials into a finished product, continue to qualify for exemption as production machinery and equipment.

Welding Gas Cylinders, Tanks and Other Storage Devices

Welding gas cylinders and tanks are storage containers used to hold the welding gases. As these containers are not directly involved in the manufacture of raw materials into a finished product, they do not qualify for exemption as production machinery and equipment. Therefore, welding gas cylinders, tanks and other storage devices remain taxable.

Further Information

For more information on the exemption for catalysts, direct agents and chemical substances, or the exemption for production machinery and equipment, please see [Bulletin SST 054, *Manufacturers*](#).

You can also find information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm

If you have any questions, please call us at 604 660-4524 in Vancouver, or toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/legislation.htm