



Aquaculturists

Provincial Sales Tax Act

This bulletin provides information to help aquaculturists understand how the provincial sales tax (PST) applies to their businesses effective April 1, 2013.

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Qualifying Aquaculturists

You are a **qualifying aquaculturist** if you carry on an aquaculture business and hold one or more aquaculture licences issued under either the BC *Fisheries Act* or the *Fisheries Act* (Canada) and, under those licences, you either:

- produced primary aquaculture products at your place of production during the immediately preceding calendar year with a gross market value of at least \$7,500, or
- reasonably expect to produce primary aquaculture products at your place of production with a gross market value of at least \$7,500 in:
 - the calendar year in which you were last issued an aquaculture licence, or
 - in one of the 4 calendar years after the calendar year in which you were last issued an aquaculture licence.

A primary aquaculture product is an aquatic animal or aquatic plant grown or raised for sale. Processed or manufactured products or aquarium specimens do not qualify as primary aquaculture products.

Farmers

Qualifying aquaculturists are also qualifying farmers if they meet the criteria of a qualifying farmer. For information on who is a qualifying farmer and exemptions that are available to qualifying farmers, please see [Bulletin PST 101](#), *Farmers*.

Exempt Aquaculture Equipment and Other Goods

As a qualifying aquaculturist, you may purchase or lease specifically listed aquaculture equipment and other goods, such as boats not exceeding 20 metres in length, qualifying all-terrain vehicles and aeration equipment, exempt from PST. The specifically listed aquaculture items are only exempt from PST for qualifying aquaculturists if used solely for an aquaculture purpose.

The specifically listed exempt items are provided in the Appendix at the back of this bulletin.

Parts for Exempt Aquaculture Equipment and other Goods

You do not pay PST on parts that are designed for exempt aquaculture equipment or other goods when you use these parts to repair exempt items you use solely for an aquaculture purpose (e.g. auxiliary generators and fish tanks). Parts that are designed for exempt aquaculture equipment or other goods do not have to come from the same company that made the equipment or other goods.

You pay PST on generic parts and materials used to repair both exempt items and taxable items. This includes parts that can be used on a variety of items (e.g. nuts and bolts, screws).

Related Services Exemption

If you are a qualifying aquaculturist, you are exempt from PST on related services provided to exempt aquaculture equipment or other goods, or provided to install exempt items. For details on how to claim the exemption, see the section below, *Claiming Exemptions*.

However, as a general rule, if the goods are taxable, services provided to the goods are also taxable. This includes services to repair vehicles other than qualifying all-terrain vehicles.

For more information, please see [Bulletin PST 301](#), *Related Services*.

Claiming Exemptions

If you are a qualifying aquaculturist, to purchase or lease specifically listed aquaculture equipment or other goods exempt from PST, at or before the time of sale or lease, give your supplier a completed *Certificate of Exemption – Aquaculturist* form ([FIN 456](#)).

Your supplier needs to keep this certificate as part of their records. You can make future purchases or leases of specifically listed aquaculture equipment or other goods exempt from PST from this supplier based on the same certificate, provided the information on the certificate is still correct. You must complete a new exemption certificate if the information has changed.

If you do not provide a completed exemption certificate at or before the time of the purchase or lease, you are required to pay PST. If you provide the required documentation after the purchase or lease but within 180 days, the supplier may refund or credit you the PST charged.

For more information on refunds and credits by suppliers, please see [Bulletin PST 002, Charging, Collecting and Remitting PST](#).

Note to suppliers: If your customer claims an exemption as a qualifying aquaculturist with an exemption certificate, and it is later found that the purchaser or lessee did not qualify for the exemption, your customer is liable for any tax, interest and penalties associated with the purchase or lease. However, if you had reason to believe that your customer was not entitled to the exemption (e.g. your customer provided you with an exemption certificate stating that the equipment was being purchased for aquaculture use but you know the person is no longer operating as an aquaculturist) and you provided the exemption, you may also be subject to an assessment.

Refunds for Qualifying Aquaculturists

If you are a qualifying aquaculturist and you pay PST on specifically listed exempt aquaculture equipment or other goods, you may qualify for a refund.

Requesting a Refund from your Supplier

If you paid PST to your supplier on exempt aquaculture equipment or other goods because you did not provide the required documentation to support your eligibility for exemption at the time of sale or lease, your supplier may provide you with a refund or credit of the PST paid if you provide the required information within 180 days of the date the tax was paid.

Requesting a Refund from the Ministry

To apply for a refund from the ministry, please provide us with a completed refund application form ([FIN 355/FAF](#)) and the required supporting documentation listed on the refund application form. Send your refund application and supporting documents to the address provided on the application form.

The ministry must receive your refund claim within four years from the date you paid the tax. If you receive a refund from your supplier, you cannot also apply for a refund from the ministry.

New Qualifying Aquaculturists

Until you are a qualifying aquaculturist, you pay PST on all aquaculture equipment and other goods you use in your aquaculture business. Once you qualify, you can apply for a PST refund on specifically listed aquaculture equipment or other goods, and on parts for specifically listed items that you purchased and leased within the six-month period prior to meeting the criteria as a qualifying aquaculturist.

Docks and Portable Floating Structures

Docks

Real property is land and any items that are permanently attached to land (buildings and structures). It also includes tangible personal property that is installed or affixed to land such that it ceases to be personal property at common law. Once installed, the item becomes an improvement to real property.

Docks that are permanently attached to pilings that are sunk into the seabed are improvements to real property.

If you have entered into a contract under which a contractor will supply and install a dock such that the dock will be an improvement to real property once it is installed, the contractor is required to pay PST on the goods they use for the purposes of fulfilling a contract for the supply and installation of the dock. For information on the application of tax and specific exemptions related to improvements to real property, please see [Notice 2013-003](#), *Real Property Contractors*.

Floating Docks

Floating docks are not improvements to real property because they are anchored to allow for easy removal for cleaning or change of anchorage location. Services to floating docks are taxable.

Portable Floating Structures

A portable floating structure is a floating structure that is:

- not designed as a means of transportation or to be self-propelled, and
- sold as a unit consisting of a building and a platform or barge, the primary purpose of which is the floatation of the building, and the building covers most of the surface of the platform or barge.

Portable floating structures are portable buildings and are subject to 7% PST on 45% of the purchase price or lease price, unless a specific exemption applies. For information on the application of PST to portable buildings and other manufactured buildings, please see [Bulletin PST 133](#), *Manufactured Buildings*.

Taxable Aquaculture Equipment

When to Pay PST

As a qualifying aquaculturist, you may purchase or lease specifically listed aquaculture equipment and other goods exempt from PST. PST applies to all other aquaculture equipment and other goods that are not specifically listed unless your business qualifies for another exemption or the equipment is not taxable. For more information, please see the section below, *Other Exemptions*.

Examples of items that are subject to PST include:

- building supplies
- consumables, including antifreeze, caustic soda, cleaning compounds and degreasers, grease, lubricants, oil and rags
- computer hardware and non-custom software
- generic goods, such as batteries, cleaning supplies, commercial dive equipment, hydraulic pumps, rafts, vehicles and Styrofoam coolers
- repair and maintenance tools

If your supplier does not charge you PST on taxable items, you must self-assess the PST due.

If you have a PST number, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)).

Purchases and Leases from Out-of-Province Suppliers

As a qualifying aquaculturist, you may purchase or lease specifically listed aquaculture equipment and other goods exempt from PST from out-of-province suppliers.

If you purchase or lease taxable goods from an out-of-province supplier, you pay PST on the total amount that you pay to bring the goods into BC, including charges for transportation, customs, excise and any other costs, except the goods and services tax (GST). If the supplier does not charge you PST at the time of the sale or lease, you must self-assess the PST due.

Change in Use

If you purchase specifically listed aquaculture equipment or other goods exempt from PST, and later use that item for a taxable purpose (e.g. personal or non-aquaculture business use), PST applies as of the date the use changes. You calculate and self-assess PST on the greater of the depreciated value or 50% of the original purchase price.

More information on how to calculate the depreciated value of equipment will be provided in the near future.

Other Exemptions

Animals and Plants

You do not pay PST on animals, plants or trees if the products of that animal, plant or tree ordinarily constitute food for human consumption, such as shellfish seeds and fertilized eggs.

Containers, Labels and Packaging Materials

You do not pay PST on containers, labels and packaging materials that form part of the merchandise you sell. These items may be purchased exempt of PST when certain conditions are met.

If you have a PST number, provide your number to the supplier to receive this exemption. If you do not have a PST number, provide your supplier with a completed *Certificate of Exemption – General* ([FIN 490](#)).

For more information, please see [Bulletin PST 305](#), *Containers, Labels and Packaging Materials*.

Safety Equipment and Protective Clothing

The following safety equipment and protective clothing is exempt from PST:

- work-related safety equipment and protective clothing designed to be worn by, or attached to, a worker if required under specified provincial work safety legislation when purchased or leased by an employer, self-employed person or educational institution,

- specifically listed work-related safety equipment and protective clothing designed to be worn by a worker, and
- specifically listed general safety equipment and protective clothing.

For more information, please see [Bulletin PST 100](#), *Safety Equipment and Protective Clothing*.



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

References: *Provincial Sales Tax Act*, section 1 “portable building”, “portable floating structure”, 25, 30, 82, 82.1, 141 and 145; *Provincial Sales Tax Exemption and Refund Regulation*, section 1 “primary aquaculture product”, “qualifying aquaculturist”, “qualifying farmer”, “qualifying all-terrain vehicle”, 32-35, 44, 46, 49, 76, 131 and Schedule 4; *Provincial Sales Tax Regulation*, section 10 and 21.

Appendix - Specifically Listed Exempt Aquaculture Equipment and Other Goods

Qualifying aquaculturists may purchase or lease the specifically listed aquaculture equipment and other goods listed below exempt from PST if the equipment and other goods are used solely for an aquaculture purpose.

- Aeration equipment, including compressors obtained for use to aerate water
- Alarm equipment designed to alert to changes in water conditions
- All-terrain vehicles that:
 - are self-propelled,
 - have at least four wheels,
 - are designed primarily for use on unprepared surfaces,
 - are not eligible to be licensed for use on a highway in BC, except as a utility vehicle,
 - have an engine with a displacement of 200 cc or greater, and
 - are equipped with a carrying rack, platform or cargo box
- Antifoulants obtained for use on nets and boats
- Aquacultural harvesting machines
- Aquacultural planting machines
- Artificial lighting systems obtained for use in hatchery and nursery operations to promote plant growth, including replacement bulbs for such lighting systems
- Artificial seaweed
- Automated shellfish nursery systems
- Automatic analyzers for soil or water
- Automatic feeders
- Auxiliary generators
- Bags and containers obtained for use for transporting or packaging aquaculture products
- Barrels, styrofoam, whole logs and other items obtained for use for flotation, but not including structures supported by floats
- Boats not exceeding 20 metres in length, and motors for those boats
- Booms obtained for use for lifting nets out of the water, other than pulleys and cranes attached to a boom
- Cables
- Centrifuges
- Chains
- Chemicals and pharmaceuticals
- Closed bag containment systems, including pumps and waste management equipment that are integrated into the systems
- Debyssing machines
- Declumping machines
- Dip nets and dip net bags
- Disease identification kits
- Disease monitoring kits
- Dissolved oxygen meters

Appendix - Specifically Listed Exempt Aquaculture Equipment and Other Goods

- Egg graders
- Egg incubators
- Electric timing devices and controls for feeders
- Electric timing devices and controls for water flow
- Fabric and mesh
- Fish feed
- Fish tagging machines and tags
- Fish tanks
- Floats made of aluminum, galvanized steel, plastic, polyethylene or concrete, but not including structures supported by floats
- Float valves to regulate water pressure
- High-pressure washers
- Kelp cleaning and processing machinery
- Laboratory glassware
- Ladder racks
- Machinery and equipment designed for use to wash and grade aquatic animals or aquatic plants, but not including scales
- Meters that measure temperature or salinity
- Microscopes
- Minerals, medications and nutrients for fish
- Net pen units, but not including seine nets
- Netting for cages or pens
- Pearl nets, mussel socking and other netting designed for shellfish seed and grow-outs
- Pelton wheels
- pH meters
- Polyethylene shellfish culture bags
- Predator traps
- Pumps obtained for use to pump water into or out of fish enclosures, but not including fish elevators or fresh water lenses
- Remote settling tanks obtained for use in the production of aquaculture products
- Rope
- Scallop ear hanging equipment, including ear hanging pins
- Seaweed and kelp harvesters
- Seed collectors, seed bivalves, seed, eggs, smolts and fry
- Shackles or thimbles obtained for use in joining ropes, cables or chains in mooring systems
- Steam generators obtained for use for cleaning hatcheries or nurseries
- Temperature chart recorders
- Trays, suspended from floats, obtained for use for growing oysters
- Tumblers obtained for use in oyster grow-out operations
- Water conditioning equipment

Appendix - Specifically Listed Exempt Aquaculture Equipment and Other Goods

- Water filters
- Water sterilization equipment
- winches, hooks and grapnels obtained for use for placing and retrieving aquaculture equipment