



# Telecommunication Services

## Provincial Sales Tax Act

This bulletin provides information on how the provincial sales tax (PST) applies to telecommunication services in BC, other than dedicated telecommunication services. Information on the application of PST to dedicated telecommunication services will be provided in the near future.

For information on how PST applies to purchases of telecommunication services in BC that straddle April 1, 2013, please see PST [Notice 2012-010](#), *General Transitional Rules for the Re-implementation of the Provincial Sales Tax*.

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## What Are Telecommunication Services?

Telecommunication services for the purpose of the PST are generally any of the following:

- the right, whether exercised or not, to utilize a telecommunication system to send or receive one or more telecommunications by means of an electronic device ordinarily situated in BC. This includes services such as telephone and facsimile, television, radio, internet access, and email and text messaging services;
- utilizing a telecommunication system to send or receive telecommunications, such as telephone calls (mobile or landline) and facsimiles, television and radio signals, emails and text messages (including where the message is not limited to text) by means of an electronic device ordinarily situated in BC; and
- the right, whether exercised or not, to download, view or access, via a telecommunication system by means of an electronic device ordinarily situated in BC, the following telecommunications:
  - audio books, audio programs (e.g. radio programming or podcasts ), music and ring tones, and
  - television programming, motion pictures and other videos.

A telecommunication means signs, signals, writing, images, sound or intelligence of any nature.

A telecommunication system means a wire, cable, radio, optical, satellite or other electromagnetic or similar system, including WiFi, for the transmission, emission or reception of a telecommunication.

Electronic device in relation to a telecommunication service means a device by which a person may send or receive telecommunications, or download, view or access telecommunications.

Examples of electronic devices include computers (desktops, laptops and tablets), telephones, mobile phones and smart phones, televisions and radios.

## **Purchases of Telecommunication Services**

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The purchase of a telecommunication service will be subject to PST at a rate of 7%, unless a specific exemption applies. PST applies to the purchase price, which includes sign-up, access, airtime, usage, service and other charges related to the use of, or the right to use, the service.

Mobile electronic devices are generally considered to be ordinarily situated in BC if the billing address is located in BC.

## **Exemptions**

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Exemptions under the previous PST will be re-implemented with the new PST including, but not limited to, exemptions from tax for the following telecommunication services.

- Basic cable television services provided by means of a wire or cable (does not include other services over and above the minimum level of television services offered by the provider or television services provided by satellite or by Internet)
- Local residential landline telephone services (includes calling features, such as call waiting, but does not include charges for long distance calls). Landline does not include telephone services provided through the internet such as VoIP
- 1-800, 1-888, and 1-877 telephone and facsimile services, other than when acquired for family or domestic use
- conventional paging services that allow a person to receive, but not to send, telecommunications by means of a pager
- Downloading, streaming, viewing or accessing audio or video content that are:
  - educational programs provided by an educational institution
  - a training or instructional program designed to develop or improve the knowledge, skills or abilities needed by individuals for a particular trade, occupation or profession
  - a lecture, presentation, seminar, workshop or similar activity designed for educational purposes if the participants in the activity and the presenter or instructor utilize a telecommunication system to send and receive telecommunications with each other in real time
- Telecommunication services purchased for the sole purpose of resale
- Telecommunication services purchased substantially for resale by a person whose primary business is selling or providing telecommunication services (note: there is a requirement on the person to self-assess PST on the telecommunication services they use for a purpose other than resale)

- Telecommunication services (including phone calls and internet access) purchased from an accommodation provider in relation to the purchase of accommodation

In addition, electronic books (other than audio books) are not subject to PST.

More information about exemptions will be available in the near future.

## **Paying and Collecting Tax**

In most cases, the provider of taxable telecommunication services will charge and collect the PST payable on the purchase of taxable telecommunication services. However, where the provider of the telecommunication service is not a collector, purchasers may be required to self-assess tax. More information on the requirement to self-assess will be provided in the near future.



### **Need more info?**

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You can access our forms, publications, legislation and regulations online at [gov.bc.ca/PST](http://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.

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