



Thrift Stores, Service Clubs, Charitable Organizations and Societies

Provincial Sales Tax Act

This bulletin provides information to help thrift stores, service clubs, charitable organizations and societies understand how the provincial sales tax (PST) applies to their activities, effective April 1, 2013.

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Registration and Sales

Registration

You are required to register as a PST collector if you regularly sell taxable goods at a for-profit or non-profit thrift store, or at an auction, flea market, bazaar or similar location. If you make taxable sales from these locations, you do not qualify for optional registration as a small seller because you are selling from established commercial premises.

You may also be required to register as a collector if you regularly make sales of taxable goods at craft shows or events that are sponsored by your club, organization or society

For more information about who must be registered, please see [Bulletin PST 001](#), *Registering to Collect Provincial Sales Tax (PST)*. For information on the rules for small sellers, please see [Bulletin PST 003](#), *Small Sellers*.

Sales

You are required to charge PST when you sell new, used or donated taxable goods, even if the funds are used for charitable purposes.

However, some items are exempt from PST, such as:

- used clothing and footwear sold for under \$100 per item
- children-sized clothing and footwear

- adult-sized clothing and footwear purchased for children under 15 years of age (purchasers of these items must complete a certification form – please see [Bulletin PST 201](#), *Children’s Clothing and Footwear*)
- books, newspapers, and periodicals (please see [Bulletin PST 205](#), *Publications: Books, Magazines, Periodicals and Newspapers*)
- Remembrance Day poppies and wreaths
- natural cut evergreens sold as Christmas trees
- non-motorized bicycles, and non-motorized tricycles where the diameter of each wheel is at least 350 mm (please see [Bulletin PST 204](#), *Bicycles and Tricycles*)

If you only sell items that are exempt from PST, you do not need to register as a PST collector.

Alcohol Sales

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

For more information on Special Occasion Licences, please see [Bulletin PST 300](#), *Special Occasion Liquor Licences*.

If you have a liquor licence, including a Special Occasion Licence, you need 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 beverage with an alcohol content of more than 1%.

For more information, please see [Notice 2012-009](#) – *Notice to Liquor Vendors: BC Returns to PST on April 1, 2013*.

Charging, Collecting and Remitting PST

For information on the requirements to charge, collect and remit PST, please see [Bulletin PST 002](#), *Charging, Collecting and Remitting PST*.

Raffles, Prizes and Gifts

Raffles and Contest Prizes

If you sell raffle tickets for prizes of taxable goods, such as televisions or computers, or give away taxable goods in a contest, bingo or related activity, you do not charge the PST on, or include the PST in, the ticket price or the cost of participating in the contest, bingo or related activity. However, as the provider of the prize, you are required to pay PST on your cost to acquire the taxable goods you raffle or give away in a contest, bingo or related activity. The prize winner does not pay PST on the cost of the prize.

Please note: Special rules apply where the prize is a vehicle, boat or aircraft.

For more information on the PST rules applicable to prizes received as a result of a raffle, draw or award, please see [Bulletin PST 312](#), *Gifts*.

Gifts

PST does not apply to gifts you receive in BC (other than gifts of vehicles, boats and aircraft in certain circumstances), or to gifts received outside BC and brought into the province by a registered charity as defined in section 248(1) of the *Income Tax Act* (Canada).

For more information on how PST applies to gifts, please see [Bulletin PST 312](#), *Gifts*.

Gifts Given by Charities in Exchange for a Donation

If you are a registered charity, you do not charge PST on goods such as ribbons, key chains, pins or similar items of a nominal value that you provide as gifts in exchange for a donation. However, you are required to pay PST on all taxable items you purchase and give away.

Refunds

Medical Equipment and Refunds

If you are an eligible charity and you contribute eligible charity funds towards the purchase of eligible medical equipment by a hospital, provincial mental health facility or certain community care facilities, you may qualify for a refund of the PST paid with those charity funds.

An eligible charity is:

- a registered charity, or
- a corporation that is incorporated under the *Society Act* and is a member of the British Columbia Association of Healthcare Auxiliaries.

To be eligible for a refund of PST, the medical equipment must be purchased in whole or in part with eligible charity funds and must be for use by a hospital, provincial mental health facility or certain community care facilities to treat patients or diagnose patients' ailments.

The medical equipment refund is also available to a hospital, provincial mental health facility or certain community care facilities for medical equipment they purchase in whole or in part with eligible charity funds.

For more information about PST refunds on charity funded medical equipment, including what medical equipment is eligible and the formula by which the refund is calculated, please see [Bulletin PST 402](#), *PST Refunds on Charity Funded Purchases of Medical Equipment*.

Parents' Advisory Council Refunds

You charge PST on sales of goods and software to Parent Advisory Councils (PACs).

However, a Parents' Advisory Council (PAC), a board of education or a francophone education authority may qualify for a refund of the PST paid on qualifying goods or software purchased with PAC-raised funds. To be eligible, the goods or software purchased must be given to a school, francophone school or Provincial school for school or student use. The PAC, board of education or francophone education authority may apply to the ministry for a refund of PST paid with those PAC-raised funds. The ministry must receive the refund claim within four years from the date the tax was paid.

For more information about PST refunds on PAC funded purchases, including the formula by which the refund is calculated, please see [Bulletin PST 401](#), *PST Refunds on PAC Purchases*.



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 “eligible charity”, “registered charity”, 98, 145 and 168; Provincial Sales Tax Exemption and Refund Regulation, sections 9, 10, 15-17, 18-20, 51, 55, 121 and 122, 126.