

PST- 2      Issued:   November 1991      Revised:   June 2015

## THE PROVINCIAL SALES TAX ACT

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### INFORMATION FOR GROCERY AND DRUG STORES

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

*The changes to this bulletin are indicated by a (I) in the margins.*

The contents of this bulletin are presented under the following sections:

- A. Taxable and Exempt Categories
- B. Other Exempt Sales
- C. Status Indians and Indian Bands
- D. Sales of Used Business Assets
- E. Goods and Services for Your Own Use
- F. Saskatchewan Electronic Tax Service (SETS)

#### A. TAXABLE AND EXEMPT CATEGORIES

General categories of tax-exempt items include prescription drugs and medicines (**that can only be obtained by prescription from a duly qualified medical practitioner**), food and drink, snack foods, books and magazines, children's clothing and footwear, medical equipment, and orthopaedic appliances.

Effective July 1, 2015, feminine hygiene products including sanitary napkins, tampons, sanitary belts, menstrual cups and other similar products are exempt from PST. The exemption does not include deodorants, douches, sprays, syringes and feminine wipes.

In order to provide you with a convenient reference, we have prepared the following list of some of the more common exempt and taxable items sold in grocery and drug stores. Product names are used for illustrative purposes.

<u>EXEMPT</u>	<u>TAXABLE</u>
A	A
Ankle supports	Absorbent cotton
Anti-burn scar supports	Absorbine Jr.
Arch supports	Acne preparations
Artificial sweeteners	Adults' clothing and footwear
Atlases	Aerochambers
	Aftershave lotions
	Air deodorizers and air fresheners
	Albums
	Alcohol – rubbing
	Alcohol swabs
	Aluminum foil wrap
	Ammonia
	Antacids
	Antifreeze
	Antiphlogistine rub
	Antiseptics
	Appetite suppressants
	Aprons
	Aspirin and similar non-prescription analgesics
	Artificial flowers, trees
	Athletic supports
B	B
Baby bibs	Baby bottles and nipples
Baby blankets	Baby shampoos
Baby clothing	Baby oils
Baby diapers – cloth/disposable	Baby pins
Baby pants – plastic/rubber	Baby powders and toiletries
Back supports	Ballpoint pens
Beverages – carbonated, dispensed, hot, cold	Bandages
*Blood-glucose monitors	Barbecue charcoal, starter fuel
*Blood pressure kits	Bath oils, toiletries
Books – Paperback, hard cover	Bathing suits, caps (exempt for children)
Braces (support but not athletic)	Batteries (hearing aid batteries and wheelchair batteries are <b>exempt</b> )
Breath mints	Beach bags
Bunting bags	Beauty aids
	Bedpans
	Bedding plants, vegetables
	BenGay ointment
	Bird gravel
	Birdseed
	Birth control devices

\*Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.

**EXEMPT**

**TAXABLE**

**B**

**B**

Borax  
Breast pads and pumps  
Breath sprays  
Bubble bath  
Buckles (exempt for children)  
Bulbs – garden  
Burn remedies  
Buttons and clothing fasteners

**C**

**C**

Candy  
Candy bars  
Canes  
Carbonated beverages  
Children's clothing and footwear for children 17 years of age and under, including children's party costumes  
\*Cholesterol testers and monitors  
\*Colostomy units  
Colour flame logs  
Colouring books, paste books  
Confections, including candies, nuts and soft drinks  
Comic books  
Cook books  
Crutches

Calendars  
Camera supplies  
Cards – greeting  
Cassettes and compact discs (CDs)  
Cat food  
Chapstick  
Chest rubs  
Christmas trees – artificial and natural  
Cigarettes, cigars, tobacco, snuff and electronic cigarettes & accessories  
Cigarette holders  
Cigarette makers  
Cigarette tubes  
Cleaners  
Clocks  
Coffee filters  
Colognes  
Combs  
Computer software and video games  
Condoms  
Contact lens solutions  
Contraceptive devices  
Contraceptive gel  
Coppertone  
Cosmetics and beauty aids  
Cotton swabs, balls  
Cough syrups  
Crayons  
Creams – face, hand, shaving, skin – medicated or otherwise, including eczema preparations, psoriasis preparations, acne preparations

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EXEMPT

TAXABLE

C

Creams cont'd - diaper rash ointments and creams, first aid creams, liniment preparations, dermatologic skin preparations and sunburn medications  
Cut flowers

D

\*Diabetic blood and urine testing strips and tablets  
\*Diabetic needles and syringes  
Diapers – cloth/disposable  
Dictionaries  
Drink and food  
Dura flame logs  
Drugs and medicines – **that can only be obtained by prescription from a duly qualified medical practitioner**

D

Dental floss  
Denture adhesives  
Denture cleaners  
Deodorants  
Deodorizers  
Depilatories  
Dermatologic skin preparations  
Detergents  
Diaper pins  
Diaper rash ointments and creams  
Diaphragms  
Dietary supplements  
Disinfectants  
Dog chews – rawhide and other dog treats  
Dog food  
Drano  
Dressings – hair  
Drugs and medicines – **that can be obtained without a prescription**  
Dry cleaning services  
Dust Bane  
Dust removers

E

Elbow braces/supports  
Encyclopedias  
\*External diagnostic agents purchased by individuals for blood and urine testing

E

Ear preparations  
Earrings  
Eczema preparations  
Elastic  
Electrical appliances  
Electrical supplies - cords, plugs, fuses, light bulbs  
Electronic cigarettes & accessories  
Envelopes  
Eye preparations, including drops and contact lens solutions

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**EXEMPT**

**TAXABLE**

**F**

**F**

\*Feeding utensils designed for disabled individuals  
Feminine hygiene products – tampons, menstrual cups, sanitary pads and belts  
Fertilizers  
Fire logs – Dura Flame, Presto  
Food and drink  
Fungicides (sold for farm use or to cities, towns and RMs)

Fabric glue  
Fabric materials  
Face cream and cleaners  
Face make-up preparations  
Facial tissues  
Feminine hygiene products – sprays, deodorants, douches, wipes  
Film  
Film processing  
First aid creams  
First aid kits  
Flashbulbs  
Fluoride  
Flower bulbs and seeds  
Flowers – cut, artificial, potted  
Fondue fuel  
Food supplements in powder, pill, capsule or liquid form  
Foot medications  
Foot powders  
Fungicides  
Furniture polish  
Fuses

**G**

**G**

Garden books  
\*Grab bars and gripping devices designed for disabled individuals  
Gum

Games  
Garbage bags  
Garden seeds and bulbs  
Garden tools, equipment, furniture  
Gargles and rinses  
Gauze  
Gels – hair setting  
Germicides  
Glass cleaners  
Gloves – rubber/disposable, cloth  
Glues  
Grass seed  
Greeting cards  
Grooming aids  
Growing medium (soil-less) for plants

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<u>EXEMPT</u>	<u>TAXABLE</u>
<b>H</b>	<b>H</b>
Hearing aids, parts and batteries	Hair brushes, combs, curlers
Herbicides	Hair care - dyes, sprays, removers, gels, shampoos, tonics, creams, dressings, conditioners, perms
Herbal tea	Hair ribbons and bows
Herbs/spices	Handbags
*Home traction kits	Hand creams, lotions
	Heart rate monitors
	Heat liniment/cream
	Heating pads
	Hemorrhoid preparations
	Hosiery
	Hot water bottles and ice bags
	Household cleaners
	Humidifiers
<b>I</b>	<b>I</b>
Ice	Inhalants
*Ileostomy units	Insecticides
Immobilizers (braces and supports)	Insect repellants (sprays, coils, lotions)
Incontinent bags, pants, pads, diapers and liners	Insoles
Insecticides (sold for farm use or to cities, towns and RMs)	Iodine
Intravenous solutions	
<b>J</b>	<b>J</b>
	J-cloths
	Jars – canning
	Jewelry
	Jiffy toothache drops

\*Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.

<u>EXEMPT</u>	<u>TAXABLE</u>
<b>K</b>	<b>K</b>
Knee braces and supports Knitting books	Keri lotion Kitchen ware, utensils Kits (needlepoint, pettipoint crochet, etc.) Kitty litter Kleenex Knitting bags
<b>L</b>	<b>L</b>
*Lancet holders *Lancets Lottery tickets Livestock medicaments, including sprays for warbles and similar diseases	Lactose drops, pills Laundry supplies Lawn seed Light bulbs Lighter fluid Lighters Liniments – liquid/cream Lip balms Liquid soap Listerine Loose leaf binders Lozenges - medicated Lubriderm lotion Lye
<b>M</b>	<b>M</b>
Magazines Matches Meal replacement bars and beverages Meals *Medical alert bracelets *Medical alert monitoring systems	Machine oil Maps (atlases are <b>exempt</b> ) Magnetic bracelets and necklaces Medications – tooth, gum, skin Mentholatum Deep Heat Rub Minerals (supplements) Mothballs Motor oil Mouthwashes

\*Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.

EXEMPT

TAXABLE

**N**

**N**

Napkins - sanitary  
\*Nebulizers  
\*Needles and syringes used by diabetics  
Newspapers  
Nicorette gum

Napkins – paper/cloth  
Nasal sprays, drops  
Needles and syringes (**except** for diabetic use)  
Nicotine patches  
Nilodor  
Nivea cream  
Nose drops, sprays  
Noxzema  
Nursing pads  
Nylons

**O**

**O**

Orthopaedic appliances, including trusses and parts, cervical collars, spinal braces, surgical supports, sacroiliac belts and supports  
Orthopaedic insoles (must be custom inserts)  
Orthopaedic shoes (must be prescribed by a duly qualified medical practitioner)  
\*Ostomy equipment and supplies

Obus forms  
Ointments  
Onion sets, bulbs  
Ornamental plants  
Oven cleaners  
Oven mitts  
Ozonol

**P**

**P**

Pampers  
Periodicals  
Potting soil  
Prepared foods  
Prescription drugs – **that can only be obtained by prescription from a duly qualified practitioner**  
Presto logs

Panty hose  
Paper – toilet, towels, wax, napkins  
Party favours  
Patterns – clothing, knitting, crochet  
Peat moss  
Pencils  
Pens  
Perfumes  
Peroxide  
Personal hygiene supplies  
Pet food, including vitamins and dietary supplements

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**EXEMPT**

**TAXABLE**

**P**

**P**

Pet supplies, toys  
Petroleum jelly  
Photo albums  
Pictures, picture frames  
Pipes, pipe cleaners, filters  
Plastic – plates, cups, cutlery  
Polish – shoe, floor, furniture, metal,  
automotive  
Porous plasters  
Postcards  
Pre-moistened towelettes  
Pregnancy test kits  
Preparation H  
Prophylactics  
Psoriasis preparations  
Purses

**R**

**R**

\*Reaching aids designed for  
disabled individuals  
\*Reagent strips

Raid insecticides, coils, sprays  
Razor blades  
Rinses and gargles  
Room sprays  
Rubber gloves  
Rubbing alcohol  
Rug/upholstery cleaners

**S**

**S**

Sacroiliac belts and supports  
Sales under 26¢  
Sanitary napkins  
Shoulder braces  
Snack foods  
Spinal braces  
Splints  
Stamps – postage  
Support hose and surgical stockings  
Supports and braces (back, arch,  
ankle, knee, shoulder)

Salves  
School supplies such as scribblers,  
pens, pencils, and glues  
Seam binding materials  
Seeds – flower, vegetable, grass,  
sprouting  
Shampoos  
Shaving supplies  
Shoe laces  
Shoe polish, dyes  
Shrubs

\*Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.

EXEMPT

TAXABLE

**S**

**S**

Surgical supports, appliances  
and parts  
\*Syringes and needles used by  
diabetics

Silver polish  
Skin creams and lotions  
Soaps – pads, flakes, powders,  
toilet, detergents, bath,  
medicated or otherwise  
Spinal rolls and pillows  
Sports cards, including those sold with  
gum  
Stamp albums  
Stationery  
Sun glasses (non-prescription)  
Sun lamps  
Sunburn medications  
Suntan lotions/sprays/oils  
Suppositories  
Surgical dressings  
Suspensories  
Syringes and needles (**except** for  
diabetic use purchased by individuals)

**T**

**T**

Trusses and parts  
Tampons

Talcum powders  
Teething lotions  
Tensor bandages  
Thermometers  
Thread  
Throat sprays  
Tissue paper  
Tobacco  
Toilet cleaners  
Toilet paper  
Toiletries  
Tomato plants  
Tooth brushes  
Toothache drops  
Toothpaste and powders  
Toys  
Tropical plants

\*Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.

**EXEMPT**

**TAXABLE**

**V**

**V**

Venous pressure gradient elastic supports

Vaporizers  
Vaseline  
Vegetable seeds  
Velcro  
Vermiculite  
Veterinary medicaments for pets  
Vicks Vap-O-Rub  
Video rentals  
Visine eye drops  
Vitamins

**W**

**W**

Walkers  
Weed control chemicals  
Wheelchair batteries  
Wheelchair replacement cushions  
Wheelchairs  
Wine kits

Wallets  
Water softener salt  
Wave sets  
Wax paper  
Waxes and conditioners for floors and furniture  
Wet wipes  
Window cleaners  
Wool  
Wrist straps and wristbands  
Writing materials

**Y**

**Y**

Yard goods and notions

**Z**

**Z**

Zippers

**B. OTHER EXEMPT SALES**

Grocery and drug stores are not required to collect the tax on the following sales:

- Goods sold to other vendors for resale (the purchaser's PST vendor's licence number must be recorded on the sales invoice).
- Goods that are shipped out of province by the vendor (evidence of shipment must be retained).
- Goods sold to federal government departments or agencies (goods sold to federal Crown corporations, provincial government ministries or agencies or to provincial Crown corporations are subject to tax).

**C. STATUS INDIANS AND INDIAN BANDS**

Sales to Status Indians or Indian bands are not subject to tax providing the goods are delivered to the reserve by the retailer and the Certificate of Indian Status identification card number or band number is recorded on the invoice. The complete 10-digit card number must be recorded on the sales invoice. If the federal identification card number is only three to five digits, record the number and the name of the band on the sales invoice. **Proof of delivery to a reserve must be retained.**

**D. SALES OF USED BUSINESS ASSETS**

Businesses are required to collect tax on the sale of used assets, such as taxable vehicles and equipment. When used assets are being sold pursuant to the closure of a business, the purchaser is required to self-assess and report the tax.

When individuals purchase used goods for personal use, other than vehicles, tax applies to the selling price of the goods less a deduction of \$300 per item. If a trade-in is involved, the purchaser is entitled to a deduction of \$300 or the value of the trade-in, whichever is greater. If the goods are for commercial use, the \$300 deduction does not apply.<sup>1</sup>

**E. GOODS AND SERVICES FOR YOUR OWN USE**

Businesses are required to pay tax on purchases of new and used equipment, supplies and taxable services purchased for use in their business operations. Tax is payable as follows:

- When purchased from a licensed supplier, the tax must be paid to the supplier at the time of purchase.
- When purchased from a supplier who did not collect the tax, or when taken from an exempt resale inventory, the tax must be self-assessed and remitted with the regular tax return. This includes goods taken for personal or business use.

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<sup>1</sup> Information Bulletin PST-58, *Information on the Taxation of Used Goods*

- When purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and remitted with the regular tax return on the laid down cost, which includes currency exchange, transportation charges, customs and excise duties, and importation charges - but not the GST.

#### **F. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)**

The Ministry of Finance has made it possible to report and remit tax electronically through the use of a standard Internet connection. The Saskatchewan Electronic Tax Service (SETS) offers a secure, fast, easy and convenient alternative to filing returns in paper format. Several E-File services are currently available through SETS.

Businesses may use SETS to file and pay returns for PST and other provincial taxes.

SETS allows businesses to:

- file and pay returns or make payments on account;
- file a return and post-date the payment to the due date;
- view account balance and statement information;
- authorize your accountant to file on your behalf; and,
- subscribe to an Email Notification Service that allows the option to be notified by email that a tax return should be filed. This replaces the paper forms normally received in the mail.

#### **FOR FURTHER INFORMATION**

Write: Ministry of Finance  
Revenue Division  
PO Box 200  
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102  
Regina 306-787-6645

Email: sask.tax.info@gov.sk.ca

In-Person: Ministry of Finance  
Revenue Division  
2350 Albert St  
REGINA SK S4P 4A6

Fax: 306-787-9644

Internet: PST bulletins, forms and information are available on the Internet at:  
<http://www.finance.gov.sk.ca/taxes/pst>

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