

Caterers and Event Planners

Social Service Tax Act

Do you operate a catering company?

Do you operate a wedding or event planning company?

This bulletin provides specific tax information to help caterers and event planners understand how the social service tax, also called the provincial sales tax (PST), applies to their businesses.

For general PST information that applies to all businesses, such as who needs to register, when general exemptions apply, and how to charge and collect the PST, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#).

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Overview

Generally, catering and event or wedding planning services are non-taxable; however, PST applies differently if you provide taxable goods with your services. You charge or pay PST on taxable goods depending on whether you provide the taxable goods as part of your services or whether you or your customer keeps the goods after the event.

This bulletin has been completely rewritten and replaces the previous version dated December 2005.

Taxable goods include items such as flowers, decorations, tables, chairs, chair covers, cake figurines, guest books, place card holders, speaker's podiums, table cloths, alcoholic beverages and re-useable napkins, cutlery and dishware.

Sales

Services

You do not charge PST on catering or event planning services (such as planning, consulting, coordinating and organizing) when you do not sell or lease taxable goods to your customer. For example, if you provide wedding planning services that include itinerary planning, on-site managing, negotiating with vendors, developing and managing budgets, providing entertainment and renting venues, you do not charge PST on your services.

You charge PST on taxable services, such as:

- setting up and taking down temporary gazebos, arches, tents, dance floors and stages, and
- setting up and taking down tables and chairs with detachable legs (i.e. not foldable chairs and tables).

For more information, please see [Bulletin SST 018](#), *Taxable Services*.

Taxable Goods

If you provide taxable goods as part of your catering or event planning services and **your customer keeps the goods** after the event, you charge your customer PST on the goods. However, you do not pay PST on these goods because you purchased them for resale to your customer.

Please note: If you charge a **single price** for taxable goods or services and your catering or event planning services, you charge PST using the bundled sale rules. For more information, please see the section below, Bundled Goods and Services.

If you provide taxable goods as part of your catering or event planning services and **you keep the goods** after the event, such as decorations, you do not charge your customer PST on these goods. This also includes goods that are used up during the event or that do not retain any value after the event, such as balloons and flowers. However, you are required to pay PST on these goods.

Bundled Goods and Services

Generally, if a non-taxable good or service is bundled together with a taxable good or service and sold together for a single price, you charge PST only on the fair market value of the taxable good or service. However, there are exceptions to this general rule. For instance, if the taxable good or service is \$50 or less and valued at 10% or less of the total price, you do not charge PST.

For example, you provide wedding planning services for a single price of \$3,000, which includes a pair of taxable cake figurines worth \$350 that are kept by the bride and groom after the wedding. You charge PST on the \$350 for the figurines because they have a value of more than 10% of the total price of the wedding planning service. However, if the figurines are only worth \$50, you do not charge PST on them because they have a value of \$50 or less and are valued at 10% or less of the total price of the wedding planning services.

For details, please see [Bulletin SST 119](#), *Bundled Sales: Taxable and Non-Taxable Goods or Services Sold Together for a Single Price*.

Leases (Rentals)

If you lease (or rent) taxable goods to your customer, you charge PST on the lease price of the goods. You do not pay PST on goods you purchase solely to lease to your customers.

However, if you lease taxable goods from another company to provide with your services, where the leased goods are provided as part of your catering or event planning services, you pay PST on your lease price of the goods.

Alcoholic Beverages

You charge 10% PST on the sale of alcoholic beverages, such as:

- beer and wine,
- spirits and liqueurs,
- ciders and coolers,
- mixed drinks, and
- any other beverage with an alcohol content of greater than 1%. For more information, please see [Bulletin SST 094](#), *Liquor Sellers* or [Bulletin SST 097](#), *Special Occasion Liquor Licences*.

Photography Services

You charge PST to your customer on the total charge for photographs, negatives, videos and portraits you produce. The total charge includes sitting fees, professional fees, travel expenses and any other charge a customer pays to purchase the photographs. However, you do not charge PST on the above fees and expenses if your customer does not purchase the photographs you produced. For more information, please see [Bulletin SST 053](#), *Photographers and Photofinishers*.

Accommodation

If you purchase taxable accommodation on behalf of your guests as part of your packaged wedding or event planning services, you are required to pay the hotel room tax.

For more information on accommodation sales, please see [Bulletin HRT 006](#), *Accommodation – Registered Operators of Hotels, Motels or Other Lodgings* or the Accommodation Industry website at: www.sbr.gov.bc.ca/industry_specific/accommodation/accommodation.htm

Purchases

When to Pay PST

You pay PST on the purchase or lease of new or used goods and services you use in your business, such as:

- stationery, furniture and office equipment,
- advertising materials, such as flyers and brochures,
- items you purchase to give away as free promotions,
- goods taken out of your resale inventory for business use,
- computer hardware and software, except custom software (for more information, please see [Bulletin SST 040](#), *Computer Software and Hardware*),
- supplies, such as pan liners, parchment paper and paper towel, re-usable coasters, tray covers and doilies,
- equipment used to perform your services, such as pots, pans, knives and other kitchen equipment,
- free-standing equipment, such as coolers, ice machines, juice dispensers and coffee machines, including used equipment or equipment acquired with an existing business,
- services to repair your equipment, and

- services that you purchase for an event or wedding. For example, if you lease a temporary stage and contract the stage owner or another company to set up the stage, you pay PST on the charges to set up the stage. However, if your employee sets up the stage, you do not pay PST on the service (for more information, please see [Bulletin SST 018, Taxable Services](#)).

If the supplier does not charge you PST on the above items, you self-assess and record the PST due at Step 3 of your next tax return.

If you do not have a PST registration number, you self-assess the PST due using the *Casual Remittance Return For Provincial Sales Tax (PST) Due on Tangible Personal Property by a Purchaser Not Registered Under the Social Service Tax Act* form ([FIN 428P](#)). This form is available from the ministry or any Service BC Centre. You will also find it on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/forms.htm

When Not to Pay PST

You do not pay PST on the following:

- items you purchase for resale to your customers (i.e. goods that your customers keep), such as flowers, vases, decorations and linens, and
- disposable or non-reusable containers, utensils, napkins, cocktail picks, coasters and packaging materials that are included with your sales at no extra charge to your customers.

To purchase the above items without paying PST, give the supplier your PST registration number.

If you take taxable goods from your resale inventory for business or personal use, you self-assess PST on your cost of the goods.

Please note: Food (for human consumption) and cleaning services are non-taxable to anyone.

Purchases from Out-of-Province Suppliers

If you purchase taxable goods from an out-of-province supplier, you pay PST on the total amount that you pay to bring the goods into British Columbia, 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, you self-assess and record the PST due at Step 3 of your next tax return.



Need more info?

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The information in this bulletin 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

References: *Social Service Tax Act*, Sections 1, 5, 6, 7, 8, 11, 20 and 69.1, and Regulations 2.4, 2.46, 12 and 13.10