



Registering to Collect PST

Provincial Sales Tax Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this bulletin dated December 2015. For a summary of the changes, see Latest Revision at the end of this document.*

This bulletin provides information about how to register and who must register to collect and remit PST.

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Overview

You must register to collect and remit PST if you regularly:

- sell or lease taxable goods in BC,
- provide four or more units of accommodation in BC, or
- provide legal services, related services (services to taxable goods), software or telecommunication services in BC.

Some businesses outside BC are also required to register.

Businesses Required to Register

Businesses in BC

You must register to collect and remit PST if you regularly do any of the following in the ordinary course of your business.

- Sell taxable goods in BC, for example:
 - alcoholic beverages / liquor (see Documentation for Liquor Sellers below)
 - motor vehicles, automotive parts and supplies

- boats
- building materials
- household or office furniture
- general merchandise, such as flowers, clothing, cosmetics, appliances or souvenirs
- Lease taxable goods in BC (including entering into lease agreements in BC or delivering goods to a lessee in BC), for example:
 - motor vehicles
 - tools and equipment
 - aircraft
 - artwork
- Provide related services in BC (i.e. services to taxable goods or to install taxable goods), for example:
 - repair or maintenance of taxable goods, such as automobiles, knives, watches, TVs, stereos, office equipment or computers
 - application of protective treatments to taxable goods, such as fabric protection, rust proofing or painting
 - setting up, installing or dismantling taxable goods, such as temporary display counters, shelves or booths at trade fairs and conventions
 - restoring or assembling taxable goods, such as furniture
- Provide taxable accommodation in BC
- Provide legal services in BC
- Provide telecommunication services in BC (including internet access, non-basic cable, non-residential TV services, mobile phone services, satellite services, fax services, and digital and electronic media content, such as music and movies)
- Provide software in BC
- Act as a liquidator, receiver, receiver-manager or trustee and dispose of assets as part of your business

If you meet the above criteria, you are prohibited from making retail sales and leasing goods in BC unless you have a valid PST number.

Note: You are not required to register if you qualify as a small seller (see Small Sellers below).

Real Property Contractors

The requirement to register to collect and remit PST depends on the type of contract you have with your customer.

You are not required to register to collect and remit PST if you only enter into contracts to supply and affix, or install, goods that become part of real property. This is because you must pay PST on all goods you obtain to fulfil these contracts, unless an exemption applies.

However, you must register to collect and remit PST if:

- the goods you install do not become part of real property,

- the goods you install become part of real property, you have an agreement that states your customer agrees to pay the PST on the goods and that agreement meets certain conditions, or
- you sell goods that you do not install.

For more information, see [Bulletin PST 501](#), Real Property Contactors.

Direct Sellers and Independent Sales Contractors

You are a **direct seller** if you:

- do not regularly make taxable retail sales of exclusive products from established business premises (e.g. a retail store), and
- sell exclusive products to independent sales contractors (ISCs) in BC.

Exclusive products are those products you acquire, manufacture or produce and that are primarily offered to purchasers at a retail sale by your ISCs.

You are an **ISC** if you:

- purchase exclusive products from a direct seller or another ISC for the purpose of resale or for personal use,
- are not an agent or employee of the direct seller, and
- offer to sell the exclusive products at temporary business premises, your private residence, or other non-business premises.

Direct sellers must register to collect and remit PST on sales of taxable exclusive products.

Direct sellers located outside BC but within Canada must be registered at the time they cause delivery of exclusive products into BC. Those sales may be to ISCs or directly to purchasers. Direct sellers who only sell exclusive products that are exempt from PST are not required to register.

ISCs are not required to register, but must pay PST on their purchases of exclusive products when purchasing the products for resale from a direct seller or another ISC.

For more information on the application of PST to direct sellers and ISCs, see [Bulletin PST 004](#), *Direct Sellers and Independent Sales Contractors*.

Businesses in Canada but Outside BC

You must register to collect and remit PST if you are located outside BC (see Location of Your Business below) but within Canada and regularly do **all** of the following:

- sell taxable goods to customers in BC
- accept purchase orders (including by telephone, mail, email or Internet) for taxable goods from customers located in BC
- deliver taxable goods to a location in BC, (this includes goods you ship physically or electronically, even if you deliver the goods through a third party, such as a courier)
- solicit persons in BC (through advertising or other means, including mail, email, fax, newspaper or the Internet) for orders to purchase taxable goods

You must also register to collect and remit PST if you are located outside BC (see Location of Your Business below) but within Canada and regularly do **all** of the following:

- sell taxable software or telecommunication services to customers in BC
- accept purchase orders (including by telephone, mail, email or Internet) for taxable software or telecommunication services from customers located in BC
- solicit persons in BC (through advertising or other means, including mail, email, fax, newspaper or the Internet) for orders to purchase taxable software or telecommunication services

Note: If you have only a website that is accessible from anywhere in the world, which does not target BC, you are not soliciting sales in BC. However, if you have a website and also solicit sales in BC by other means, such as through targeted Internet advertisements, promotional flyers or newspaper advertisements, you are soliciting sales in BC.

If you meet these criteria, you must be registered before delivering goods into BC, providing software for use on or with an electronic device ordinarily situated in BC, or providing telecommunication services.

You must also register to collect and remit PST if you are located outside BC (see Location of Your Business below) and you, as lessor, lease goods in BC, lease goods that are located in BC at the time of the lease or lease goods that are transferred to the lessee in BC.

If you meet these criteria, you must be registered before leasing goods in these circumstances.

Businesses Outside BC With Inventory in BC

You must be registered to collect and remit PST if you are located outside BC (either in or outside Canada - see Location of Your Business below) and regularly do **all** of the following:

- sell taxable goods to customers in BC
- accept purchase orders (including by telephone, mail, email or Internet) for taxable goods from customers located in BC
- hold the goods you sell to your BC customers in inventory in BC at the time of sale (e.g. you use a BC fulfillment house)

If you meet these criteria, you must be registered before you sell taxable goods held in inventory in BC to a customer in BC.

Obligations of Businesses Required to Register

All businesses that must be registered to collect and remit PST are considered to be collectors whether or not they are actually registered. All collectors have specific obligations and should read our [Small Business Guide to PST](#).

Businesses Not Required to Register

You are not required to register to collect and remit PST if you do not make taxable sales of goods or software, do not make taxable leases of goods, and do not provide taxable services (related services, telecommunication services, legal services and accommodation).

For example, you do not need to register if you:

- only sell non-taxable or exempt goods or software, such as food for human consumption, or provide non-taxable or exempt services, such as dry cleaning or transportation services,
- are a wholesaler and you do not make retail sales,
- are a small seller (see Small Sellers below), or
- are an independent sales contractor only selling exclusive products (see [Bulletin PST 004](#), *Direct Sellers and Independent Sales Contractors*).

If you are not registered and you collect PST or an amount as if it were PST, on any sales or leases, you must remit that amount. For example, if you charged and collected PST on an exempt or non-taxable item, or collected tax at an incorrect rate (e.g. 10% instead of 7%), you would still have to remit that amount. Depending on the circumstances, your customer may be entitled to a refund either directly from you or from us.

If you are not required to register to collect and remit PST, you may still wish to register so you can self-assess any PST you must pay to government directly. For example, in certain circumstances, some businesses must self-assess PST on goods purchased for use in their business (see Voluntary Registration below).

Small Sellers

You are a small seller if you meet **all** of the following criteria:

- you are located in BC but do not maintain established commercial or business premises (e.g. you do not sell goods from a shop, including a home-based shop)
- you sell eligible goods, software or services
- you have \$10,000 or less in gross revenue from all retail sales of eligible goods, software and services for the previous 12 months, and your estimated gross revenue from all retail sales of eligible goods, software and services for the next 12 months is \$10,000 or less
- you do not sell:
 - vehicles, boats or aircraft in the ordinary course of your business
 - accommodation (or offer to sell accommodation) in the ordinary course of business
 - liquor (except under a special occasion licence or at an auction). For information on how PST applies in these situations, see [Bulletin PST 300](#), *Special Occasion Liquor Licences* and [Bulletin PST 320](#), *Liquor Sold at Auctions*
- you are not:
 - a lessor (see [Bulletin PST 315](#), *Rentals and Leases of Goods*)
 - an independent sales contractor (see [Bulletin PST 004](#), *Direct Sellers and Independent Sales Contractors*)
 - a contractor who acquires goods for the purpose of fulfilling contracts to supply and affix, or install, affixed machinery or improvements to real property (see [Bulletin PST 501](#), *Real Property Contractors*)

As a small seller you are not required to register to collect and remit PST. Small sellers pay PST when purchasing products for resale and do not charge or collect PST on sales.

However, you have the option to register to collect and remit PST. If you register, you will no longer be considered a small seller. You will be exempt from PST when buying goods solely for resale but must charge and collect PST on your sales.

For more information, see [Bulletin PST 003](#), *Small Sellers*.

Voluntary Registration

If you are not required to register, you may **voluntarily** register to collect and remit PST in the following situations:

- you are carrying on business in BC or intend to carry on business in BC
- you are located in Canada but outside BC (see Location of Your Business below) and you sell or provide (or intend to sell or provide) goods, software, legal services, related services or telecommunication services to a person in BC
- you are located outside Canada (see Location of Your Business below) and you sell or provide (or intend to sell or provide) any of the following to a person in BC:
 - software, legal services or telecommunication services,
 - goods for commercial use that you bring, send or cause to be delivered into BC from outside Canada,
 - goods you bought into BC to fulfil an agreement to sell or provide the goods to a person in BC (e.g. you fill orders using suppliers located within BC, also known as “drop shipping”), or
 - goods you hold in inventory in Canada but outside BC at the time you sold or provided the goods to a person in BC.

Businesses that wish to voluntarily register to collect and remit PST may apply using any of the options described in Registration below.

Note: If you are located outside BC and wish to voluntarily register, you may be required to enter into an agreement with us prior to your registration being approved.

Location of Your Business

The location of your business affects whether you must register to collect and remit PST. For PST purposes, your business is considered to be located either:

- in BC,
- in Canada (but outside BC), or
- outside Canada.

We consider your business to be located **in BC** if any of the following conditions are met.

- Your business has a physical presence in BC including:
 - a store front, factory, mill, branch, office or other physical place of business (except use of temporary space such as trade show booths)
 - a place of extraction such as a mine, oil and gas well, or logging site
 - real property, such as a warehouse or yard, that is leased or owned (except a contract with another person to store inventory, such as a contract with a fulfillment house)
- Your business has agents or employees physically located in BC
- Your business’s management and control is in BC

We consider your business to be located **in Canada** (but outside BC) if you are not considered to be located in BC as described above and any of the following conditions are met.

- Your business has a physical presence in Canada including:
 - a store front, factory, mill, branch, office or other physical place of business (except use of temporary space such as trade show booths)
 - a place of extraction such as a mine, oil and gas well, or logging site
 - real property, such as a warehouse or yard, that is leased or owned (except a contract with another person to store inventory, such as a contract with a fulfillment house)
- Your business has agents or employees physically located in Canada
- Your business's management and control is in Canada

We consider your business's management and control to be where the persons in control of the business make most of their decisions regarding the business. For example, the management and control of a corporation is generally in BC if the members of the board of directors meet and hold most of their meetings in BC.

Registration

You can apply to register to collect and remit PST using any of the following options:

- **Online:** register online using **eTaxBC** (see our webpage [Register to Collect PST](#) for more information)
- **In person:** at your local [Service BC Centre](#)
- **By fax or mail:** complete a paper form and mail or fax it to us

The *Application for Registration for Provincial Sales Tax (PST)* ([FIN 418](#)) is available from any Service BC Centre and on our website.

If we approve your application, you will be provided with a letter advising you of your PST number and your ongoing reporting periods for your PST returns.

Note: Registering to collect PST and having a registration number does not take the place of a business licence or any other required authorization. You apply for a business licence through your municipality or regional district, or the [OneStop Business Registry](#) in participating municipalities.

Liquor Sellers

If you sell (or intend to sell) liquor at a restaurant, bar, pub or similar establishment, you must provide us with the following documentation as part of your application for registration to collect and remit PST.

- If you **purchased** the business from the previous owner, you must include a copy of the signed bill of sale or purchase agreement.
- If you **lease** the premises, you must attach a copy of your lease agreement to show you have the legal right to operate in that location.
- If you **operate but do not own** the business, you must attach a copy of your management/operator agreement.

Notification of Changes

Once you are registered, you must notify us if you:

- change your address, change the name or nature of your business, or stop operating your business, or
- change the legal structure of your business (e.g. sole proprietor to corporation).

Note: Your PST number is not transferable, and if you do not comply with the provisions of the *Provincial Sales Tax Act*, you may have your PST number suspended or cancelled.

Need more info?

Online: gov.bc.ca/pst

Toll free in Canada: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

June 2016

- Expanded the types of businesses located outside Canada that can voluntarily register for PST to include businesses that hold goods in inventory in Canada but outside BC at the time they sell or provide the goods to a person in BC.
 - Included information on documentation requirements for liquor sellers applying to register to collect and remit PST.
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References: *Provincial Sales Tax Act*, sections 1 “accommodation”, “collector”, “direct seller”, “electronic device”, “exclusive product”, “independent sales contractor”, “lease”, “legal services”, “lessor”, “related service”, “retail sale”, “small seller”, “software”, “telecommunication service”, “use”, 80, 89, 91, 98, 99, 105, 106, 119, 122, 126, 130, 168-182 and 183.