



Special Occasion Liquor Licences

Provincial Sales Tax Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this bulletin dated April 2014. For a summary of the changes, see Latest Revision at the end of this document.*

This bulletin explains how PST applies to liquor purchased and sold under a Special Occasion Licence.

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Special Occasion Licences

If you sell liquor anywhere, or serve liquor at a location that is not a residence or a licensed establishment, you need a Special Occasion Licence. You can purchase a Special Occasion Licence online at bcliquorstores.com/special-occasion-licence

PST and Special Occasion Licences

Purchases

When you purchase a Special Occasion Licence you must:

- estimate the amount and the expected selling price of the liquor you will sell, and
- pay an amount equal to the 10% PST (PST equivalent amount) on the mark-up (i.e. the difference between the price you pay for the liquor and the expected selling price) if you will be selling liquor above the price you pay for the liquor.

At or after the time you purchase a Special Occasion Licence, you can purchase liquor using that licence. When you purchase the liquor, you must pay PST at 10% on the purchase price of the liquor.

If you will be selling the liquor at or below the price you pay for it, or you do not charge for liquor you provide at the event (i.e. an open bar), you pay PST only when you purchase the liquor. You are not required to pay the PST equivalent amount when you purchase the licence.

Example

You purchase a Special Occasion Licence and \$500 in liquor for your wedding. You expect to sell the liquor for \$800 at the wedding. The PST you pay when you buy the liquor will be \$50.00 and the PST equivalent amount you pay when you purchase the licence will be \$30.00, calculated as follows:

Your cost of the liquor purchased (10% PST on \$500) =	\$50.00
Your expected mark-up amount (10% PST on \$300) =	<u>\$30.00</u>
Total amount due	= \$80.00

The online Special Occasion Licence application calculates the PST equivalent amount on the mark-up based on your estimated liquor sales at the event.

When you sell the liquor at the event, you must charge PST on the sales of liquor (see below).

Sales

During your event, you must 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
- any other alcoholic beverage with an alcohol content of more than 1%

You can include the 10% PST in the sale price of the liquor or charge it separately.

If the PST you collect on your sales is equal to the PST you paid on the liquor plus the PST equivalent amount you paid when you purchased the licence, you can keep all the PST you collect on the sale of the liquor.

Actual Liquor Sales are Greater than Estimated

If your actual liquor sales are greater than what you estimated when you purchased the Special Occasion Licence, or you sell the liquor at a higher price, you must remit to us the amount of PST collected **less** the total of:

- any PST you paid when you purchased the liquor, and
- the PST equivalent amount you paid on the mark-up when you purchased the licence.

You must remit the additional PST to us on or before the last day of the month after the month in which the Special Occasion Licence expires. For example, if the licence expires on May 2, you must remit the additional PST on or before June 30.

If you have a PST number and your next return is due on or before the last day of the month after the month in which the licence expires, you remit the additional PST collected on your next PST return. Otherwise, you must self-assess (pay directly to us) the additional PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month in which the licence expires.

Refunds

In the circumstances outlined below, you may be eligible for a refund of the PST you paid under a Special Occasion Licence. The person that holds the Special Occasion Licence must apply for the refund.

Cancelled Events

If your event is cancelled, you can request a refund of the PST you paid on any liquor you purchased when you return the liquor to the liquor store. The BC Liquor Store will refund the PST you paid on the liquor but you will need to apply to us for a refund of the PST equivalent amount you paid on the mark-up.

How to Apply

To apply for a refund, complete an *Application for Refund – General (PST)* ([FIN 355](#)) and include the following.

- A statement explaining the reason for claiming the refund
- The cancelled Special Occasion Licence
- The Special Occasion Application Summary showing the PST equivalent amount paid on the mark up
- Confirmation from the Liquor Control and Licensing Branch that the licence was cancelled

Returns of Unsold Liquor or Actual Selling Price was Less than Estimated

If you have unsold liquor at the end of your event, you can request a refund of the PST you paid when you return the unsold liquor to the liquor store. The BC Liquor Store will refund the PST you paid on the liquor but you will need to apply to us for a refund of the PST equivalent amount you paid on the mark-up. You may also apply to us for a refund if the actual selling price of the liquor was less than you originally estimated. We will refund the difference between the PST equivalent amount you paid on the mark-up and the amount that should have been paid based on the lower selling price.

How to Apply

To apply for a refund, complete an *Application for Refund – General (PST)* ([FIN 355](#)) and include the following.

- A statement explaining the reason for claiming the refund
- The Special Occasion Licence
- The Special Occasion Application Summary showing the PST equivalent amount paid on the mark up
- Invoices or receipts showing the type, quantity and price of liquor you purchased and returned to the BC Liquor Store
- Sales records indicating the quantity and price of each type of liquor sold

Special Occasion Licences and First Nations

Special rules apply under a Special Occasion Licence if liquor is:

- purchased on First Nations land by a First Nations individual or band, if the liquor will be provided by the First Nations individual or band at no charge at an event (e.g. an open bar at a wedding), or
- for sale at an event on First Nations land.

For more information, see [Bulletin PST 314](#), *Exemptions for First Nations*.



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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

August 2016

- Clarified that special occasion liquor licences are purchased online.
 - Added information on how to apply for a refund of the PST equivalent amount when a Special Occasion Licence is cancelled.
 - Clarified the information on how to apply for a refund of PST when the actual selling price of the liquor is less than originally estimated.
 - Clarified that the person that holds the Special Occasion Licence must apply for the refund.
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References: *Provincial Sales Tax Act*, sections 1 “band”, “First Nation individual”, “liquor”, 28, 37, 98, 182 and 182.1.