



Special Occasion Liquor Licences

Provincial Sales Tax Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this bulletin dated April 2013. 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 at any BC Liquor Store.

For information on purchasing special occasion licences, visit a BC Liquor Store near you or see their [website](#).

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) = \$30.00

Total amount due = \$80.00

The BC Liquor Store manager calculates and collects 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, and
- 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 are entitled to 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 the ministry 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 the ministry 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 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

Cancelled Events and Returns of Unsold Liquor

If your event is cancelled or you have unsold liquor at the end of your event, you can request a refund of the PST you paid on any liquor you purchased 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 the ministry for a refund of the PST equivalent amount you paid on the mark-up.

Actual Selling Price was Less than Estimated

You may also apply for a refund from the ministry if the actual selling price of the liquor was less than you originally estimated. The ministry 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.

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 showing the PST equivalent amount paid on the mark-up,
- documentation showing how much liquor you originally purchased from the BC liquor store,
- documentation showing how much liquor you returned to the BC liquor store (after the event),
- receipts verifying the total liquor purchased for the event, and
- 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 Nation land by a First Nation individual or band, if the liquor will be provided by the First Nation 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 Nation land.

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



Need more info?

Online: gov.bc.ca/PST

Toll free in Canada: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

Access our forms, publications, legislation and regulations online at gov.bc.ca/PST (go to [Forms](#) or [Publications](#)).

Subscribe to our [What's New](#) page to receive email updates when new PST information is available.

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

Latest Revision

April 2014

- Clarified the supporting documentation required when you apply for a refund from the ministry
 - Added a new section on Special Occasion Licences and First Nations
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References: *Provincial Sales Tax Act*, sections 1 “band”, “First Nation individual”, “liquor”, 28, 37, 98, 182 and 182.1.