



Provincial Sales Tax (PST) Notice

Notice 2012-016

Issued: November 2012

Related Services

Provincial Sales Tax Act

During the summer of 2011, British Columbians had the opportunity to participate in a province-wide referendum on the harmonized sales tax (HST). On August 26, 2011, Elections BC announced that British Columbians had voted in favour of eliminating the HST and returning to the provincial sales tax (PST) plus federal goods and services tax (GST) system.

Following the referendum results, government committed to make the transition back to the PST/GST system as quickly as responsibly possible. The *Provincial Sales Tax Act* received Royal Assent on May 31, 2012, and the PST will be re-implemented on April 1, 2013.

This notice provides a general overview of the application of the PST to related services.

Please note: Some of the rules and requirements described in this notice are subject to legislative and regulatory approval.

For information on how the PST applies to purchases of related services that straddle April 1, 2013, please see PST [Notice 2012-010](#), *General Transitional Rules for the Re-implementation of the Provincial Sales Tax*.

What are Related Services?

Related services are services provided to tangible personal property (goods), such as repair, adjustment, restoration, reconditioning, refinishing and maintenance services, and services provided to install goods.

Related services do not include:

- services provided to install goods that will become an improvement to real property on installation,
- services provided by a person to the person's employer in the course of their employment, or
- services to manufacture goods that are fundamentally different from the goods from which they were manufactured.

Tangible personal property is personal property that you can see, weigh, measure, feel or touch, or that is in any other way perceptible to the senses—generally, all goods. Tangible personal property also includes natural or manufactured gas, heat, electricity and affixed machinery, but does not include real property. Real property is land and any items permanently attached to land (buildings and structures).

Please Note: An improvement to real property, or a part of an improvement to real property, that is removed from the site at which it is affixed or installed (e.g. to be repaired) is tangible personal property while it is removed.

Related Services Provided in BC

The purchase of a related service provided or to be provided in BC will be subject to PST, unless a specific exemption applies. The tax rate on related services will be 7%.

Related Services Provided Outside of BC

Unless a specific exemption applies, the purchase of a related service outside of BC by a BC resident will be subject to PST at a rate of 7% where:

- the goods to which the related service is provided are taken or sent out of BC primarily for the purpose of having the related service provided to them, and
- the goods are brought, sent or received into BC after the related service has been provided.

Taxable Related Services

Generally, if a good is taxable when purchased, services provided to that item are also taxable, unless a specific exemption applies. For more information on taxable and exempt goods, please see [Notice 2012-011](#), *Purchases of Tangible Personal Property (Goods) in British Columbia*. Examples of related services include services to:

- repair or maintain taxable goods, such as automobiles, knives, watches, TVs, stereos, office equipment or computers,
- apply protective treatments to taxable goods, such as fabric protection, rust proofing or paint,
- set up, install or dismantle taxable goods, such as temporary display counters, shelves or booths at trade fairs and conventions, or
- restore taxable goods, such as furniture.

Exempt Related Services

Exemptions under the previous PST will be re-implemented with the PST including, but not limited to, exemptions from tax on certain types of services to goods and services provided to certain goods, such as:

- Services to goods that a PST registrant stores, keeps or retains for the purpose of resale or lease
- Services to most exempt goods
- Cleaning services
- Services to clothing and footwear
- Services to the following household appliances and goods: refrigerators, stoves, ovens, dishwashers, clothes washers and dryers, freezers, vacuums, rug cleaners, rugs and carpets, and curtains and drapes
- Services to most affixed machinery
- Services to animals

More information on exemptions will be provided in future bulletins and notices.

Paying and Collecting Tax

In most cases, the provider of related services in BC will charge and collect the PST. Where a person is required to pay tax on related services provided outside of BC, they will be required to self-assess PST on those services. More information on the requirement to self-assess will be provided in the near future.

Further Information

If you have any questions, please call us toll free at 1 877 388-4440 or email your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at gov.bc.ca/pst

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

You can access *Bill 54-Provincial Sales Tax Act* on the Legislative Assembly of British Columbia website at leg.bc.ca/39th4th/3rd_read/gov54-3.htm

The *Provincial Sales Tax Act* Regulations will be posted to our website as soon as they are available.

For up to date information on the return to PST, subscribe to our What's New page at sbr.gov.bc.ca/msbr/whats_new/consumer_taxes/whatsnew.htm