

PST-32 Issued: November 1988

Revised: September 2016

THE PROVINCIAL SALES TAX ACT

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INFORMATION ON THE TAX STATUS OF ANTIQUES, STAMPS, COINS, PAPER MONEY AND PRECIOUS METALS

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax. It is a general guide and not a substitute for the legislation.

Changes to this bulletin are indicated by a (I) in the left margin.

The contents of this bulletin are presented under the following sections:

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- D. Precious Metals
- E. Sales of Used Articles to Individuals
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- G. Goods and Services for Your Own Use
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A. ANTIQUES

Antiques are subject to tax. Antiques include furniture, china, glassware, jewelry, clocks, souvenirs, collectibles, etc. If goods are received on trade, the tax applies to the cash difference.

B. STAMPS

Canadian postage stamps sold at face value for mailing purposes are not subject to tax. However, the tax must be collected on the sale of the following collector postage stamps:

- Uncancelled Canadian stamps sold in excess of their face value
- Cancelled Canadian stamps
- Foreign stamps (cancelled and uncancelled)

C. COINS AND PAPER MONEY

Canadian coins and paper money used at their face value as a medium of exchange are not subject to tax. However, the tax applies to the sale of any Canadian or foreign collector coins and paper money sold in excess of their face value.

The following outlines the tax status of Royal Canadian Mint products:

- All Royal Canadian Mint products purchased from the Mint are subject to tax when they are received in Saskatchewan
- Royal Canadian Mint products (in original packaging) purchased from a Saskatchewan resident are subject to tax at the time of sale
- All Royal Canadian Mint products purchased from a non-resident of Saskatchewan are subject to tax when sold. If a dealer sells taxable Royal Canadian Mint products to another dealer for resale, the purchasing dealer's copy of the sales invoice must clearly indicate that these coins are subject to tax when they are sold by the purchasing dealer

D. PRECIOUS METALS

Effective September 1, 2016, precious metals including gold, silver and platinum are not subject to PST when purchased as a form of financial instrument. The purchase of precious metal investment certificates and Exchange Traded Funds (ETF) were previously exempt and will continue to be exempt of PST.

Saskatchewan's PST exemption for precious metals aligns with GST Memorandum 17.1 regarding "Supplies of Precious Metals" wherein it states that the direct purchase of precious metals is considered to be a form of financial instrument when the following conditions are met or satisfied:

- The precious metal is in the form of a bar, ingot or wafer at the required purity levels, (currently 99.5% for gold and platinum and 99.9% for silver), being generally recognized and accepted for trading on Canadian financial markets. Ordinarily, these will bear markings indicating their purity level and will have an identification mark of the issuing financial institution or refinery. With respect to coins, only those metals at the required purity levels that have been issued by a government authority and that may be used as currency will qualify.
- Any supply of a precious metal (i.e. gold, platinum or silver) meeting the purity requirements, as set out in the definition of precious metal in subsection 123(1) of the federal Excise Tax Act, is a supply of an exempt financial service. Metals of this quality are normally investment-related and are usually bought and sold on international exchanges that establish world-wide precious metal prices.

The sale or purchase of a precious metal that does not comply with the defined requirements is not considered a supply of a financial instrument, but rather a supply of tangible personal property.

PST applies to the sale of gold, platinum or silver that is less than the defined purity levels or that is sold in a form other than in bar, ingot, coin or wafer form (e.g. granular form). Tax applies to the full selling price, including any premium, handling fee or other charge in connection with the sale, excluding GST.

Precious metals may also be purchased exempt from PST when purchased by licensed vendors for resale purposes, or to fabricate goods for resale (e.g. jewelers). The vendor's licence number must be quoted to the supplier and recorded on the invoice. The vendor is required to collect PST on the sale of those goods.

In addition, dental gold and silver purchased solely for use in the fabrication of dental appliances is exempt from PST.

E. SALES OF USED ARTICLES TO INDIVIDUALS

Used goods sold to individuals for personal use, are subject to PST on the selling price of the goods less a deduction of \$300 per item. If a trade-in is involved, the purchaser is entitled to the \$300 deduction or the value of the trade-in, whichever is greater.

If the used goods are purchased for commercial use or purchased from outside of Canada, the \$300 deduction does not apply.

The \$300 deduction applies to used coins and paper money that have been purchased in excess of their face value when they have been purchased from an individual or business, with exception of the Royal Canadian Mint, within Canada.

F. SALES OF USED BUSINESS ASSETS

Businesses are required to collect tax on the sale of used assets, such as taxable vehicles and equipment. When used assets are sold as part of the closure of a business, the purchaser is required to self-assess and report the tax.¹

G. GOODS AND SERVICES FOR YOUR OWN USE

Businesses are required to pay tax on purchases of new and used equipment, supplies and taxable services purchased for use in their business operations. Tax is payable as follows:

- When purchased from a licensed supplier, the tax must be paid to the supplier at the time of purchase.
- When purchased from a supplier who did not collect the tax, or when taken from an exempt resale inventory, the tax must be self-assessed and remitted with the regular tax return. This includes goods taken for personal or business use.

¹ Information Bulletin PST-58, *Information on the Taxation of Used Goods*

- When purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and remitted with the regular tax return on the laid down cost, which includes currency exchange, transportation charges, customs and excise duties, and importation charges; but not the GST.

H. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)

The Ministry of Finance has made it possible to report and remit tax electronically through the use of a standard Internet connection. The Saskatchewan Electronic Tax Service (SETS) offers a secure, fast, easy and convenient alternative to filing returns in paper format. Several E-File services are currently available through SETS.

Businesses may use SETS to file and pay returns for PST and other provincial taxes.

SETS allows businesses to:

- file and pay returns or make payments on account;
- file a return and post-date the payment to the due date;
- view account balance and statement information;
- authorize your accountant to file on your behalf;
- subscribe to an email notification service that allows the option to be notified by email that a tax return should be filed. This replaces the paper forms normally received in the mail.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sask.tax.info@gov.sk.ca

In-Person: Ministry of Finance
Revenue Division
2350 Albert St
REGINA SK S4P 4A6

Fax: 306-787-9644

Internet: PST bulletins, forms and information are available on the Internet at:
<http://www.finance.gov.sk.ca/taxes/pst>

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