



Thrift Stores, Service Clubs, Charitable Organizations and Societies

Provincial Sales Tax Act

Latest Revision: The revision bar (|) identifies changes to the previous version of this bulletin dated November 2013. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin explains how the provincial sales tax (PST) applies to thrift stores, service clubs, charitable organizations and societies.

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Registration and Sales

Registration

You must register as a PST collector if you regularly sell taxable goods at a for-profit or non-profit thrift store, or at an auction, flea market, bazaar or similar location. If you make taxable sales from these locations, you do not qualify for optional registration as a small seller because you are selling from established commercial premises.

You may also be required to register as a collector if you regularly make sales of taxable goods at craft shows or events that are sponsored by your club, organization or society.

For more information about who must be registered, please see [Bulletin PST 001](#), *Registering to Collect PST*. For information on the rules for small sellers, please see [Bulletin PST 003](#), *Small Sellers*.

Sales

You are required to charge PST when you sell new, used or donated taxable goods, even if the funds are used for charitable purposes.

However, some items are exempt from PST, such as:

- used clothing and footwear sold for under \$100 per item

- children-sized clothing and footwear
- adult-sized clothing and footwear purchased for children under 15 years of age (purchasers of these items must complete a certification form – please see [Bulletin PST 201](#), *Children’s Clothing and Footwear*)
- books, newspapers, and periodicals (please see [Bulletin PST 205](#), *Books, Magazines, Newspapers and Other Publications*)
- Remembrance Day poppies and wreaths
- natural cut evergreens sold as Christmas trees
- non-motorized bicycles, and non-motorized tricycles where the diameter of each wheel is at least 350 mm (please see [Bulletin PST 204](#), *Bicycles and Tricycles*)

If you only sell items that are exempt from PST, you do not need to register as a PST collector.

Liquor Sales

Generally, if you sell liquor anywhere or serve liquor at a location that is not a residence or a licensed premise, you need a Special Occasion Licence. You can purchase a Special Occasion Licence at any BC Liquor Store.

For more information, please see [Bulletin PST 300](#), *Special Occasion Liquor Licences*.

If you have a liquor licence, including a Special Occasion Licence, 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 beverage with an alcohol content of more than 1%.

For more information, please see [Bulletin PST 119](#), *Restaurants and Liquor Sellers*.

Liquor Sold at Auction

In certain situations, the Liquor Control and Licensing Branch authorizes charitable organizations to auction liquor without a liquor license or special occasion license. For additional information on when an organization can auction liquor and who is eligible to apply for a liquor auction permit, please contact the [Liquor Control and Licensing Branch](#).

Please note: fundraising may have implications for the charitable status of eligible charitable organizations under the *Income Tax Act* (Canada). For more information, please contact the [Canada Revenue Agency](#).

Charging and Collecting the PST

Whether or not you have a PST number, if you sell liquor at auction, you must charge and collect 10% PST on the total purchase price the successful bidder pays for the liquor. You must charge and collect the PST regardless of whether you auction the liquor under a permit issued by the Liquor Control and Licensing Branch or you are exempt from the permit requirement due to the low volume of liquor you auction.

For example, a charitable organization holds a silent auction where one of the items being auctioned is liquor. The winning bid for the liquor is \$50. The organization must collect \$5 in PST (i.e. 10% of \$50).

Remitting the PST

If you have a PST number, you must remit the PST due on your next PST return. However, if you do not have a PST number, you must remit the PST due using a *Casual Remittance Return (FIN 405)* on or before the last day of the month following the month in which the liquor is sold at auction. For example, if you collect PST in June, you must file the return and pay the PST no later than July 31.

Liquor Purchases

You are exempt from PST on liquor you purchase solely for resale. To purchase the liquor exempt from PST, give the supplier your PST number or, if you have applied for but not yet received your PST number, a completed *Certificate of Exemption – General (FIN 490)*.

If a manufacturer, business or member of the public donates liquor for your auction, you are not required to pay PST on the liquor. However, you are still required to collect PST on the purchase price of the liquor once you auction it off to a successful bidder.

Other Goods Sold at the Auction

If you sell goods other than liquor at your auction and you have a PST number, then you must collect PST on the goods. If you qualify as a small seller, you are not required to collect PST on the non-alcoholic goods you sell at your auction. For additional information on who qualifies as a small seller, please see [Bulletin PST 003](#), *Small Sellers*.

For information on the requirements to charge, collect and remit PST, please see [Bulletin PST 002](#), *Charging, Collecting and Remitting PST*.

Raffles, Prizes and Gifts

Raffles and Contest Prizes

If you sell raffle tickets for prizes of taxable goods, such as televisions or computers, or give away taxable goods in a contest, bingo or related activity, you do not charge the PST on, or include the PST in, the ticket price or the cost of participating in the contest, bingo or related activity. However, as the provider of the prize, you must pay PST on your cost to acquire the taxable goods you raffle or give away in a contest, bingo or related activity. The prize winner does not pay PST on the cost of the prize.

Please note: Special rules apply where the prize is a vehicle, boat or aircraft.

For more information on the PST rules applicable to prizes received as a result of a raffle, draw or award, please see [Bulletin PST 312](#), *Gifts*.

Gifts

PST does not apply to gifts you receive in BC (other than gifts of vehicles, boats and aircraft in certain circumstances), or to gifts received outside BC and brought into the province by a registered charity as defined in section 248(1) of the *Income Tax Act* (Canada).

For more information, please see [Bulletin PST 312](#), *Gifts*.

Gifts Given by Charities in Exchange for a Donation

If you are a registered charity, you do not charge PST on goods such as ribbons, key chains, pins or similar items of a nominal value that you provide as gifts in exchange for a donation. However, you must pay PST on all taxable items you purchase and give away.

Refunds

Medical Equipment and Refunds

If you are an eligible charity and you contribute eligible charity funds towards the purchase of eligible medical equipment, you may qualify for a refund of the PST paid with those charity funds.

An eligible charity is:

- a registered charity, or
- a corporation that is incorporated under the *Society Act* and is a member of the British Columbia Association of Healthcare Auxiliaries.

Charity funds are the funds of an eligible charity, other than funds provided directly or indirectly by:

- a health authority, a health facility or a local authority,
- the Provincial Health Services Authority,
- the Government of BC, except for grants under section 41 of the *Gaming Control Act*, or
- the Government of Canada.

To be eligible for a refund of PST, the medical equipment must be purchased entirely or in part with eligible charity funds and must be for use by a hospital, provincial mental health facility or certain community care facilities to treat patients or diagnose patients' ailments. Generally, you may submit one refund claim per calendar year. The ministry must receive the refund claim within four years from the date the tax was paid.

To apply for a refund, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on Charity-Funded Purchases of Medical Equipment (FIN 355/MEC)* and provide the supporting documentation listed in the form's instructions.

For more information, including what medical equipment is eligible and the formula for calculating the refund, please see [Bulletin PST 402](#), *PST Refunds on Charity-Funded Purchases of Medical Equipment*.

Please note: Some medical equipment is PST exempt. For more information, please see [Bulletin PST 207](#), *Medical Supplies and Equipment*.

Purchases Made with PAC-Raised Funds

A parents' advisory council (PAC), a board of education or a francophone education authority may qualify for a refund of PST paid on qualifying goods or software purchased entirely or in part with PAC-raised funds. To be eligible, the goods or software purchased must be for school or student use at the PAC's school.

PAC-raised funds are funds that a PAC raised directly through its fundraising activities, through cash donations made directly to the PAC, and government funding provided directly to the PAC.

Contributions from a school or an education authority are not PAC-raised funds. A PAC must apply for the refund if the PAC, or a parent on the PAC, pays for the items. Generally, a PAC can apply for a refund once each school year.

A board of education or a francophone education authority must apply for the refund if the board of education or francophone education authority pays for the items using PAC-raised funds. Generally, a board of education or a francophone education authority can apply for a refund twice each school year.

To apply for a refund, complete an *Application for Refund of Provincial Sales Tax (PST) Paid on PAC-Funded Purchases* ([FIN 355/PAC](#)) and provide the supporting documentation listed in the form's instructions.

Please note: Some school supplies are exempt. For more information, please see [Bulletin PST 202](#), *School Supplies*.

For more information, including the formula for calculating the refund, please see [Bulletin PST 401](#), *PST Refunds on PAC-Funded Purchases*.



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

February 2014

- As a result of Budget 2014 changes to the legislation:
 - retroactive to April 1, 2013, the definition of “parents’ advisory council” has been moved from the regulations to the Act
 - legislation regarding liquor sold at auction has been incorporated into the Act.

References: *Provincial Sales Tax Act*, sections 1 “eligible charity”, “parents’ advisory council”, “registered charity”, “small seller”, 98, 145, 162, 168, 182.2, 186 and 203; *Provincial Sales Tax Exemption and Refund Regulation*, sections 9, 10, 15-17, 18-20, 51, 55, 121, and 122; *Provincial Sales Tax Regulation*, sections 73.1, 77, 88.1 and 88.2.