



## Medical Supplies and Equipment

### Provincial Sales Tax Act

Latest Revision: *The revision bar ( | ) identifies changes to the previous version of this bulletin dated July 2015. For a summary of the changes, see Latest Revision at the end of this document.*

This bulletin provides information on how the PST applies to medical supplies and equipment, and to purchases by medical suppliers and service providers.

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### Definitions

A **prescription** is a formula or direction given by a practitioner as a remedy or treatment for a disease or disorder.

**Practitioner** is defined under the *Pharmacy Operations and Drug Scheduling Act* and includes doctors, dentists, optometrists, veterinarians and other health care professionals who are authorized to prescribe drugs or devices.

For optical appliances, prescription also includes an assessment record or a contact lens record as defined in the Opticians Regulation.

### Examples of Exempt Medical Supplies and Equipment

This is a list of exempt medical supplies and equipment. It is not a complete list.

Items not on this list may be found on the taxable list below. If an item is not on either list and you are unsure how PST applies, please contact us.

## Dental Appliances and Dentures

The following are exempt from PST.

- Dental appliances sold on **prescription**, including arch bar splints
- Dentures, including adhesives, liners and repair kits

## Diabetic Supplies

The following diabetic supplies are exempt from PST.

- Syringes, needles, autolets, glucose monitoring units and diabetic testing materials obtained by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use

**Note:** Injection locators, insulin infusion pumps and syringe injectors are also exempt from PST, regardless of who purchases these items or how they will be used.

## Drugs and Vaccines

The following drugs and vaccines are exempt from PST.

- Drugs and other substances (e.g. medical gases) that treat, mitigate or prevent a disease or disorder when sold on **prescription**
- Drugs and other substances that alleviate pain in humans or animals (including applied externally)
- Drugs listed in Schedule I or IA of the Drug Schedules Regulation (exempt for all purchasers, including hospitals, practitioners and health authorities)
- Vaccines listed in Schedule II of the Drug Schedules Regulation and vaccines that are veterinary drugs as defined under the *Veterinary Drugs Act* (exempt for all purchasers, including hospitals, practitioners and health authorities)

## Equipment and Devices for Individuals With Disabilities

### Equipment Designed Solely for Use by Individuals With a Permanent Disability

Equipment designed solely for use by individuals with a permanent disability is exempt from PST to all purchasers (including hospitals), including:

- Automated door systems – when designed solely for use by individuals with a permanent disability, that consist of a button mounted on the wheelchair or near the door, and an opening device mounted on the door
- Bathtub and shower systems – when designed solely for use by individuals with a permanent disability to bathe or shower
- Bed vibrators (used together with alarms by individuals with a hearing impairment) – when designed solely for use by individuals with a permanent disability
- Beds, articulating (reposition the patient sideways to reduce the incidence of bed sores) – when designed for use by individuals with a permanent disability
- Canes
- Cystic fibrosis mist therapy equipment
- Devices designed solely to alert individuals with a hearing impairment to various sounds, such as telephone rings, baby cries and doorbells
- Electronic control units – when designed solely for use by individuals with a permanent disability to operate other devices. For example, a wheelchair or bed mounted unit that allows a person to use voice commands to control heating, lighting, entertainment systems etc.

- Exercise equipment – when designed solely for use by individuals with a permanent disability
- Expanded keyboards for use with electronic learning aids – when designed solely for use by individuals with a permanent disability
- Incontinence briefs
- Inhalers (e.g. asthma)
- Nasal CPAP (continuous positive airway pressure) system, including specifically designed replacement filters – used to treat sleep apnea
- Reading machines for individuals with a visual impairment – when designed solely for use by individuals with a permanent disability. Generic tablets that have accessibility settings (e.g. increase font size) are not designed **solely** for use by individuals with a permanent disability and are taxable.
- Respirators
- ROHO balloon cushions
- Speech training aids (e.g. microphones, amplifiers) – when designed solely for use by individuals with a permanent disability
- Stump socks
- Support garments for mastectomy prostheses
- Telecommunication devices (TDD) for individuals with hearing impairments, including telecaption adaptors, telephone couplers and visual displays for TDDs
- Toilet seats – when designed solely for use by individuals with a permanent disability
- Tumble forms and wedges with safety straps for holding children with disabilities
- Urinary appliances (e.g. catheters, retention and catheter kits) – when designed solely for use by individuals with a permanent disability
- Walkers and walker seats
- Wheelchair cushions, restraining devices, seating inserts, head rests and attachable trays
- Wheelchair exercising units

### **Equipment Advertised or Marketed Solely for Use by Individuals With Disabilities**

Equipment advertised or marketed solely for use by individuals with disabilities is exempt from PST if the equipment is obtained by or on behalf of an individual with a disability for the individual's own use (i.e. purchases by doctors, hospitals or health authorities are taxable), including:

- Burn pressure garments (elasticized clothing that support tissue while healing)
- Closed caption television decoders
- Emergency safety chairs – when advertised or marketed to help evacuate individuals with disabilities from buildings
- Hernia trusses
- Hosiery, elastic – advertised or marketed for use as a support for varicose veins
- Kidney dialysis machines
- Padding (mattress pads, elbow pads, foot pillows and foot positioners) – advertised or marketed for use by bedridden individuals to reduce bed sores
- Reaching aids – when advertised or marketed for use by individuals with disabilities to help them pick up items beyond their reach

- Urinary appliances (e.g. catheters, retention and catheter kits) – when advertised or marketed for use by individuals with disabilities (if they are solely designed for use by individuals with a permanent disability, they may be purchased exempt by anyone)

### **Devices for Use in Transporting Individuals With Disabilities**

The following devices are exempt from PST if obtained for use in the transportation of individuals with disabilities.

- Auxiliary driving controls – that facilitate the operation of a motor vehicle by individuals with disabilities
- Car-top lifts for lifting and storing wheelchairs on top of motor vehicles
- Patient lifters, including devices used to lift patients and transport them to and from a bath, as well as specially designed bathtubs used to raise and lower patients
- Power-operated and manually operated lifts designed to facilitate entry to otherwise inaccessible buildings, structures or vehicles, including automatic tailgates or side lifts for motor vehicles
- Special controls to enable individuals with disabilities to operate electric wheelchairs and carriages
- Specially designed household elevators, including wheelchair elevators, for individuals with disabilities, including materials obtained for use to build such elevators if the elevators become real property upon installation
- Specially designed ramps to move a wheelchair and occupant into a motor vehicle or building
- Wheelchairs and carriages (including scooters), whether or not they are power operated, including parts and accessories designed for these devices

### **Modified Motor Vehicles**

There are exemptions and PST reductions for a motor vehicle (other than a multijurisdictional vehicle), and parts for a motor vehicle, that is:

- manufactured or modified to allow the use of the vehicle by, or the transportation of, an individual using a wheelchair, or
- equipped with an auxiliary driving control to allow the operation of the vehicle by an individual with a disability.

For more information, see [Bulletin PST 116](#), *Motor Vehicle Dealers and Leasing Companies*.

### **First Aid Materials**

First aid materials obtained to treat humans are exempt from PST, including:

- Adhesive tape
- Alcohol pads, swabs and wipes
- Bandages
- Chemical heating pads
- Dressings
- Eye pads
- First aid booklets
- First aid kits
- Hot and cold packs

- Medications
- Porous plasters
- Surgical cotton
- Tensor bandages
- Tourniquets
- Wraps

### **Goods Designed to be Implanted in or Attached to an Individual**

Goods designed to be implanted in an individual's body, or designed to be attached to an individual's body for the purpose of maintaining bodily functions, are exempt from PST, including:

- Aneurysm clips
- Artificial larynges
- Bard carotid bypass shunts
- Bone plates
- Bone screws
- Breast implants and other implants
- Cervical plates
- Coronary stents
- Cranial fixation bioplates
- Defibrillators, electrodes and attachments – of a type designed to be implanted into an individual's body
- Dural repair patches
- Erich arch bars
- Gastric feeding tubes
- Glass eyes
- Hernia mesh (hernia trusses are also exempt – see Equipment Advertised or Marketed Solely for Use by Individuals with Disabilities above)
- Insulin infusion pumps
- Intraluminal shunts
- Joint and hip prostheses
- Kirschner wire
- Pacemakers
- Pericardium
- Peri-strips dry
- Prostheses
- Smith Peterson nails
- Staples
- Steinman pins
- Stents
- Sutures
- Trachea tubes
- Vascular patches

## Household Medical Aids

Household medical aids are drugs and medicines, including those in the form of salves, ointments, nasal sprays, inhalants, antiseptics, liniments, foot powders, germicides, laxatives, cough syrups, and cold and flu remedies, that are advertised or marketed as products that treat, mitigate or prevent a human disease or disorder.

The following household medical aids are exempt from PST (this is not a complete list).

- Acne preparations, medicated (e.g. cleansers, lotions, soaps) – when advertised or marketed as a product that treats, mitigates or prevents acne
- After bite salve
- Analgesics (i.e. pain relievers)
- Antacids
- Anti-inflammatory rubs
- Antinauseants
- Anti-parasitic treatments (e.g. for lice or worms)
- Antihistamines
- Antiphlogistine rubs
- Antiseptic pain relievers
- ASA tablets
- Baby medications (e.g. teething lotion or gel, colic remedies)
- Bee propolis
- Boric acid
- Burn remedies
- Castor oil
- Chest rubs and inhalants
- Cold remedies
- Cough remedies (e.g. lozenges, syrup)
- Creams, medicated (e.g. diaper rash cream, eczema) – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include creams for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics)
- Decongestant tablets
- Dermatologic skin preparations – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include creams for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics)
- Diaper rash creams and ointments
- Diarrhea preparations
- Ear preparations – made to treat, mitigate or prevent an ear disease or ailment
- Eczema preparations
- Epsom salts
- Eye drops or preparations – made to treat, mitigate or prevent an eye disease or ailment
- Foot medications, powder and spray – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder
- Germicides

- Heat liniments
- Hemorrhoid preparations
- Inhalants, asthma and chest (inhalers are also exempt – see Equipment Designed Solely for Use by Individuals with a Permanent Disability above)
- Isopropyl alcohol
- Kidney pills
- Lactic acid drops or tablets
- Laxatives
- Liniments
- Lip preparations, medicated
- Liver pills
- Lotions, medicated – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder, such as eczema (this does not include creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics)
- Lozenges
- Medicated skin creams – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include creams for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics)
- Moisturizers, medicated – when advertised or marketed as a product that treats, mitigates or prevents a particular skin condition, such as eczema (this does not include creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics)
- Motion sickness preparations
- Nasal drops and sprays
- Ointments, medicated
- Pain relief medications
- Peroxide
- Petroleum jelly
- Psoriasis preparations
- Rubbing alcohol
- Sedatives
- Shampoo – when advertised or marketed as a product to treat head lice
- Sleep preparations (i.e. over the counter sleeping aids)
- Soaps and moisturizers, medicated – when advertised or marketed as a product that treats, mitigates or prevents a particular skin condition, such as eczema (this does not include creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics)
- Stomach remedies
- Sunburn medication, medicated – when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (this does not include sunscreen or sunblock)
- Suppositories
- Teeth and gum medications, over the counter
- Teething lotion or gel

- Throat lozenges
- Toothache medications, over the counter
- Wart removal preparations
- Worm preparations (e.g. antifungal creams, lotions, ointments)

**Note:** PST applies to the following products.

- Beauty products and cosmetics
- Hair products (including dandruff treatment) – unless the hair product is advertised or marketed as a product to treat head lice
- Oral hygiene products, including toothpaste and mouthwash
- Soaps and moisturizers – unless medicated and advertised or marketed as a product that treats, mitigates or prevents a particular skin condition, such as eczema (creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream, are taxable)
- Sunscreen/sunblock
- Toiletries, shaving products, depilatories (i.e. hair removal products) and fragrances

## **Optical Appliances**

Optical appliances (e.g. glasses and contact lenses) are exempt from PST when sold on **prescription**, including:

- Clip-on sunglasses – sold together with prescription eyeglasses and specifically designed to be attached to the eyeglasses
- Frames – sold together with prescription lenses

## **Orthopaedic Appliances**

Orthopaedic appliances are exempt from PST, including:

- Braces (e.g. leg, wrist, knee, arm, back, ankle)
- Cervical collars and traction apparatus
- Growth guidance chairs
- Knee cage supports
- Lace-up ankle braces
- Orthopaedic arch supports and footwear – custom fit for an individual
- Splints, including arch bar splints, Denis Browne splints, alumafoam fence splints and link finger splints
- Walking calipers

The exemption includes items that are attached to or form part of the orthopaedic appliance at the time of the sale (e.g. undersleeves, knee cups and hinge covers). You do not charge PST on the purchase price of these items even if you itemize the items separately from the orthopaedic appliances on the bill of sale.

## **Ostomy Supplies**

Ostomy material, equipment and supplies are exempt from PST when designed for use by individuals who, as a result of surgery, are in the permanent condition of disposing of bodily wastes only through a surgically constructed bodily orifice. The exemption includes:

- Bag cleaning agents (e.g. mucosperse, uri-kleen)



- Bag covers – to reduce perspiration and skin irritation
- Bedside urinary drainage sets and bags
- Curity bedside drainage pads
- Drain sleeves
- Foam pads – designed for ostomy use
- Irrigation kits
- Karaya gum washers, sheets and rings
- Lavage kits
- Plastic tape and plasters
- Protex sheets, protex powder pads, double-faced adhesive discs, adhesive gaskets, stoma guide strips, ileo cement and plastic lock rings
- Reliaseals and colly seals
- Stomaseal colostomy dressings

The exemption only applies when the ostomy material, equipment and supplies are obtained by an individual with such a condition, or by an individual on behalf of such an individual, for that individual's own use. Purchases by doctors, hospitals or health authorities are taxable.

**Please note:** The exemption does not include skin creams, deodorants, cleaning materials or any general purpose products that by their nature are generally used for other purposes or by other individuals.

## **Vitamins and Dietary Supplements**

Vitamins and dietary supplements are exempt from PST if they are in an orally ingestible form and are obtained for human consumption. Vitamins and dietary supplements include ascorbic acid (e.g. vitamin C), cod liver oil, and mineral, protein and sports supplements.

## **Other Medical Products**

The following items are exempt from PST.

- Artificial limbs / prostheses
- Bunion, callous and corn pads – to treat humans
- Cannulae (but not central IV lines or related equipment including infusion pumps)
- Commodes, and hip belts – for use with a commode
- Crutches
- Goods resulting from a medical imaging procedure, including x-rays and ultrasound photos
- Hearing aids, including specifically designed replacement batteries
- Hospital style beds, when sold on **prescription**
- Human organs, human tissue, human semen, human ova, human blood and human blood constituents
- Injection locators
- Lift chairs designed to help a person move from standing to sitting or sitting to standing, or both
- Nicotine gum, patches and similar items – when advertised or marketed as products that assist an individual to stop smoking, if obtained by an individual for their own use

- Sanitary napkins, tampons, sanitary belts, menstrual cups or other similar products, including maternity pads – when advertised or marketed for feminine hygiene purposes (note: this does not include deodorants, douches, sprays or syringes)
- Syringe injectors
- Transfer boards and transfer chairs (note: basket stretchers and spinal boards are taxable)

## Parts for Exempt Medical Supplies and Equipment

You do not pay PST on parts designed for exempt medical supplies and equipment. These specifically designed parts do not have to come from the same company that made the medical supplies and equipment.

You must pay PST on generic parts and materials used to repair both exempt items and taxable items. This includes parts that can be used on a variety of items (e.g. nuts and bolts, screws).

## Safety Equipment and Protective Clothing

The following safety equipment and protective clothing is exempt from PST.

- Work-related safety equipment and protective clothing designed to be worn by, or attached to, a worker if required under specified provincial work safety legislation when purchased or leased by an employer, self-employed person or educational institution, including lead aprons worn by radiologists,
- Specifically listed work-related safety equipment and protective clothing designed to be worn by a worker, including surgical latex gloves designed for doctors and other healthcare workers, and
- Specifically listed general safety equipment and protective clothing, including certain medical alert transmitters, emergency locator transmitters and oxygen dispensing apparatus.

For more information, see [Bulletin PST 100](#), *Safety Equipment and Protective Clothing*.

## Examples of Taxable Items

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This is a list of taxable items commonly sold by medical equipment suppliers. It is not a complete list.

Items not on this list may be found on the exempt list above. If the item is not on either of these lists and you are unsure how tax applies, please contact us.

- Air mattresses, pillows (general use) and wool mattress underlays
- Airway management products
- Anti-embolism stockings
- Arch supports, generic
- Basket stretchers and spinal boards – used to move an injured person
- Bathboards
- Beauty products and cosmetics
- Beds – except hospital style beds when sold on prescription
- Biohazard waste canisters
- Biomagnetic jewellery
- Blood collection units and transfer packs

- Blood pressure monitors and equipment
- Blood testing reagents
- Breast pads and pumps (i.e. for breastfeeding)
- Cardiac scanners
- Casting saws and stands
- Catheters – used in balloon angioplasty and intravascular stenting procedures (catheters advertised or marketed for use as urinary appliances are exempt - see Equipment Advertised or Marketed Solely for Use by Individuals with Disabilities on the exempt list above)
- Chemical reagents – used for blood testing
- Clamps
- Clip-on sunglasses – when sold separately from prescription eyeglasses
- Cleaning supplies (e.g. for contact lenses)
- CO<sup>2</sup> detectors that are part of equipment used to treat a patient – unless they monitor for gas on a continuous basis
- Compressors
- Condoms
- Contact lenses – unless sold on the **prescription** of a practitioner or a person registered as a member of the College of Opticians of British Columbia, or provided as exempt promotional distribution (see Exempt Promotional Distribution below)
- Contact lens preparations (e.g. cleaning solution, lubricant)
- Containers, sterile
- Contraceptives and contraceptive preparations – except oral contraceptives purchased with a prescription
- Cosmetics
- Cotton swabs
- Creams (e.g. face, hand, skin, shaving) – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (creams for dry or oily skin, or beauty products, such as anti-aging cream and cosmetics are taxable)
- Defibrillators – external, and ancillary support equipment
- Denture cleaners
- Deodorants
- Deodorizers
- Depilatories
- Devices used for diagnosis or treatment
- Diagnostic agents, reagents
- Diagnostic equipment
- Diaphragms
- Dilators
- Disinfectant cleaners
- Disinfectants – except household medical aids that are advertised or marketed as products that treat, mitigate or prevent a human disease or disorder (e.g. antiseptics, rubbing alcohol)
- Disposable diapers
- Disposal containers – for needles and syringes

- Drapes, surgical – for infection control
- Ear candles
- Electronic stimulators
- Enema administration kits
- Eye drops – for lubricating or re-wetting contact lenses
- Face creams and cleansers – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (creams and cleansers for dry or oily skin, or beauty products, such as anti-aging cream and cosmetics are taxable)
- Feminine hygiene sprays, deodorants, douches and syringes
- Filters (note: specifically designed replacement filters for exempt nasal CPAP continuous positive airway pressure systems are exempt - see Equipment Designed Solely for Use by Individuals with a Permanent Disability on the exempt list above)
- First aid training dolls and body parts
- Fragrances
- Frames for eyeglasses – when sold separately from prescription lenses
- Gowns, surgical and patient – except work-related safety equipment and protective clothing (see Safety Equipment and Protective Clothing on the exempt list above)
- Hand cleaners
- Hand creams, lotions – unless advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder, such as eczema (creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics are taxable)
- Hair products (including dandruff treatment) – unless the hair product is advertised or marketed as a product for the treatment of head lice
- Heating pads, electric
- Hip pads
- Home automation systems
- Hot water bottles
- Incentive spirometers
- Infant incubators
- Infant intensive care warmer
- Infusion pumps – other than infusion pumps designed to be attached to, and worn by, an individual
- Instruments (e.g. surgical, medical, general health care, unless a specific exemption applies)
- Internal vessel occluder
- Intravascular probes
- Intravenous (IV) apparatus
- Intubation tubes
- Irrigation trays and syringes
- Isopropyl – marketed as a cleaning supply
- Kangaroo feeding bag infusion pump systems
- Laboratory equipment and supplies
- Laparoscopic instruments

- Lotions – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (lotions for dry or oily skin, or beauty products, such as anti-aging cream and cosmetics are taxable)
- Lubricating jelly
- Massage units
- Medical instrument cleaning and lubricating products
- Medicine droppers
- Moisturizers – unless medicated and advertised or marketed as a product that treats, mitigates or prevents a particular skin condition, such as eczema (creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream or cosmetics are taxable)
- Monitors
- Nasal dilators
- Needle and syringe disposal containers
- Needles – unless purchased by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use (see Diabetic Supplies on the exempt list above)
- Nursing pads
- Operating room instruments and equipment
- Orthopaedic appliance accessories – that are not attached to, or part of, an orthopaedic appliance at the time of sale
- Patient gowns
- Paramedic cardiac scanner
- Pill boxes
- Portable therapeutic massage units
- Prophylactics
- Pumps – other than insulin infusion pumps
- Reading glasses, non-prescription
- Respiratory monitors
- Reverse osmosis machine
- Scissors – unless sold as part of a first aid kit
- Sequential vascular compression devices
- Shampoo – except when advertised or marketed as a product to treat head lice
- Shoe insoles
- Soap
- Skin creams and lotions – except medicated products when advertised or marketed as a product that treats, mitigates or prevents a human disease or disorder (creams and lotions for dry or oily skin, or beauty products, such as anti-aging cream and cosmetics are taxable)
- Spinal boards and basket stretchers – used to move an injured person
- Stethoscopes
- Stockings, anti-embolism
- Sunglasses, non-prescription
- Surgical gowns – for surgeons or patients
- Surgical instruments
- Surgical markers

- Suture boots
- Swabs – cotton, ear
- Syringe and needle disposal containers
- Syringe pumps
- Syringes – unless purchased by a diabetic, or an individual on behalf of a diabetic, for the diabetic's own use (see Diabetic Supplies on the exempt list above)
- Therapeutic massage units
- Therapeutic magnets
- Thermometers
- Tracheostomy care kits and trays
- Traction equipment
- Tubing
- Underpads – for beds or chairs
- Urine test kits
- Vacutainers – for blood collection
- Wigs
- Wipes
- Wool mattress underlays
- X-ray cassette covers

## **Purchases and Leases by Medical Equipment Suppliers and Service Providers**

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### **Taxable Goods**

You must pay PST on the purchase or lease of new or used taxable goods you use in your business, such as:

- advertising materials, such as flyers and brochures
- computer hardware
- energy for heat and light
- items you purchase to give away as free promotions (see below)
- medical equipment – unless a specific exemption applies
- shelving and display equipment
- stationery, furniture and office equipment

You must also pay PST on the following.

- Software, unless a specific exemption applies (e.g. custom software). For more information, see [Bulletin PST 105](#), *Software*.
- Related services you purchase for your own equipment, such as repairs to your office equipment. For more information, see [Bulletin PST 301](#), *Related Services*.

If your supplier does not charge you PST on taxable items, you must self-assess (pay directly to us) the PST due on your next PST return. If you do not have a PST number, you must

self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you obtained the taxable items.

For example, if you purchase a taxable item in June, you must file the return and pay the PST no later than July 31.

## Exempt Promotional Distribution

The following are exempt from PST.

- Drugs and other substances for the treatment, mitigation or prevention of a disease or disorder when provided by a pharmaceutical company to practitioners as promotional distribution. For example, prescription drug samples.
- Dental and optical appliances when provided to practitioners or persons registered as a member of the College of Opticians of British Columbia as promotional distribution, if the appliances are otherwise only available to patients by prescription. For example, contact lens samples.

For information on taxable promotional materials, see Promotional Materials below.

## Goods for Resale or Lease

You are exempt from PST on goods you obtain solely for resale or lease to your customers. To purchase or lease these goods exempt from PST, give the supplier your PST number or, if you do not have a PST number, a completed *Certificate of Exemption – General* ([FIN 490](#)).

For more information, see [Bulletin PST 208](#), *Goods for Resale*.

## Change in Use

If you take taxable goods from your resale inventory for business or personal use, you must self-assess the PST due on your cost of the goods.

If you have a PST number, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you used the goods for a taxable purpose.

If you purchase both exempt goods for resale and taxable goods you will use in your business as a single purchase, you need to tell your supplier which goods are exempt and which goods are taxable.

If you take taxable goods from your lease inventory for business or personal use, you must self-assess PST as explained in [Bulletin PST 315](#), *Rentals and Leases of Goods*.

## Containers and Packaging Materials

You are exempt from PST on containers and packaging materials (except reusable containers) you obtain solely for packaging goods for sale or lease, or if you provide them to your customers with their retail purchases of goods. However, you must pay PST on containers and packaging materials if you use them for other purposes, such as storing, handling or shipping goods, or you use them to provide a service.

Generally, you are not required to charge PST on the containers and packaging materials you provide with goods and services, unless you separately charge your customers for them.

However, in limited circumstances, you may be required to charge PST on the fair market value of the containers and packaging materials.

For more information, see [Bulletin PST 305](#), *Containers and Packaging Materials*.

## Goods Brought Into BC

You must pay PST if you purchase or lease taxable goods outside BC and bring, send or receive the goods in BC. You must pay PST on the total amount you pay to bring the goods into BC, including charges for transportation, customs, excise and any other costs, except the goods and services tax (GST).

If your supplier does not charge you PST at the time of the sale or lease, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using the *Casual Remittance Return (FIN 405)* on or before the last day of the month following the month you brought, sent or received goods into BC. For example, if you brought taxable goods into BC in June, you must file the return and pay the PST no later than July 31.

For more information, see [Bulletin PST 310](#), *Goods Brought Into BC*.

## Bonus Items

You may provide goods as bonus items with the purchase of other goods. For example, you may give your customer a “free” box of cotton swabs when they purchase cosmetics. For the purposes of the PST, these transactions are sales of both items.

If all of the items (e.g. purchased and provided as a bonus) are taxable goods (e.g. the cotton swabs and cosmetics), you must charge PST on the purchase price paid. You can purchase the bonus items exempt from PST as goods for resale.

If the transaction is for both taxable and non-taxable goods or services for a single price (e.g. cotton swabs and a first aid kit), you are making a bundled sale (see below).

## Bundled Sales

If you sell both taxable and non-taxable goods together for a single price, you are making a bundled sale. The general rule for charging PST on a bundled sale is that you charge PST only on the fair market value of the taxable portion. The fair market value is the price that a good or service would normally sell for on the open market.

For example, if you sell contact lens solution and prescription contact lenses together for a single price, you charge 7% PST on the fair market value of the contact lens solution.

For more information, see [Bulletin PST 316](#), *Bundled Sales and Leases*.

## Promotional Materials

Promotional materials are goods you use, give away or sell below cost to help advertise or promote your business. Examples of promotional material include samples, gifts, premiums and prizes, and goods given away as part of a loyalty or rewards points program.

You must pay PST on all taxable goods you purchase or make as promotional materials. For example, you must pay PST if you buy mugs or balloons you will give away to promote your business.



Promotional materials on which you must pay PST also includes taxable goods you obtain to sell at a price below cost. For example, you purchase contact lenses at a cost of \$40 per box. In an effort to promote greater sales, you offer the contact lenses to preferred customers at a below cost price of \$30 per box. In this case, your customer pays PST on the \$30 purchase price of the contact lenses. In addition, on your next PST return, you need to self-assess PST based on the following formula:

$$(\text{Cost} - \text{Customer's purchase price}) \times \text{PST rate} = \text{PST to self-assess}$$
$$(\$40 - \$30) \times 7\% = \$0.70 \text{ PST to self-assess}$$

**Note:** You do not need to self-assess PST on goods sold below cost if you are not selling the goods below cost for promotional purposes. For example, you purchase non-prescription sunglasses at \$20 per pair and attempt to sell them for \$40 per pair. After some time, you decide to mark down the remaining items to \$15 per pair to make room for new stock or because their value has decreased. In this case, your customer pays PST on the \$15 purchase price of the sunglasses but you do not need to self-assess any additional PST.

For more information, see [Bulletin PST 311](#), *Promotional Materials and Special Offers*.

## Refunds

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### Refunds From Collectors

As a collector, you may refund or credit your customers PST you charged and/or collected from them in certain circumstances. For more information, see [Bulletin PST 400](#), *PST Refunds*.

### Medical Equipment 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, except 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 PST 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, see [Bulletin PST 402](#), *PST Refunds on Charity-Funded Purchases of Medical Equipment*.

## Need more info?

Online: [gov.bc.ca/pst](http://gov.bc.ca/pst)

Toll free in Canada: 1 877 388-4440

Email: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

Subscribe to our [What's New](#) page to receive email updates when information changes.

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

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### Latest Revision

April 2016

- Clarified that, effective April 1, 2013 (subject to Bill 14, *Finance Statutes Amendment Act, 2016* receiving royal assent), you are exempt from PST on containers and packaging materials (except reusable containers) you obtain **solely** for packaging goods for sale or lease, or if you provide them to your customers with their purchases of goods.
  - Corrected an error in the section for Change in Use for goods removed from lease inventory.
  - Clarified the section on Goods Brought Into BC.
  - Minor revisions
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References: *Provincial Sales Tax Act*, sections 1 “promotional distribution”, “promotional material”, 16, 26, 81, 137, 141 and 145; *Provincial Sales Tax Exemption and Refund Regulation*, sections 1 “practitioner”, “prescription”, 3-8, 32-35, 57 and 121.