



## Related Services

### *Provincial Sales Tax Act*

This bulletin provides information on how the provincial sales tax (PST) applies to related services effective April 1, 2013.

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*.

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### Definitions

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**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 affixed machinery or an improvement to real property on installation,
- services provided by a person to the person’s employer in the course of their employment,
- services to manufacture goods that are fundamentally different from the goods from which they were manufactured, such as producing new pieces of jewelry from materials (e.g. coins) supplied by a customer, or
- services provided to software, including installation.

**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 the land (buildings and structures).

**Please note:** Affixed machinery or an improvement to real property, or a part of affixed machinery or 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 during the period it is removed from the site.

## **Related Services Provided in BC**

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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%.

**Please note:** Related services provided in BC to goods that are brought or sent into BC for the sole purpose of having the related services provided are exempt from PST if the goods are immediately transferred out of BC after the services are provided.

## **Related Services Provided Outside BC**

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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**

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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 [Bulletin PST 200](#), *PST Exemptions and Related Conditions*. 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**

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Exemptions under the previous PST will be re-implemented with the PST including, but not limited to:

- 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, unless provided to taxable goods along with other related services subject to PST;
- services to clothing and footwear, other than blades for skates;
- services to the following household appliances and goods: refrigerators, stoves, ovens, dishwashers, clothes washers and dryers, freezers, vacuums, rug-cleaning and carpet-cleaning machines, rugs and carpets, sewing machines, and curtains and drapes;
- services to affixed machinery, other than:
  - travelling cranes and hoists that run on rails or tracks that are attached to a building and are attached to the rails or tracks by flanged wheels, or rest on the rails or tracks by their own weight, and
  - affixed machinery, or parts of affixed machinery, that have been removed from the site at which they were affixed or installed;
- services to animals;
- services to manufactured buildings;
- services to multijurisdictional vehicles;
- vehicle towing;
- boosting a vehicle battery, other than battery recharging;
- roadside tire changing of a vehicle;
- roadside unlocking of a vehicle;
- waxing a motor vehicle;
- a service provided solely for the purpose of modifying a vehicle to facilitate the use of the vehicle by, or the transportation of, an individual using a wheelchair;
- a service provided solely for the purpose of equipping a vehicle with an auxiliary driving control to facilitate the operation of the vehicle by an individual with a disability;
- services to inspect, repair or replace goods as a result of a recall of the goods by its manufacturer or under a warranty if the services are purchased by the manufacturer or person who provided the warranty;
- services provided to an individual, including services to attach or apply goods to, or remove goods from, an individual, such as body piercings, tattoos, false nails, nail polish, hair colour;
- services to install goods as part of a window display service;
- moving, courier, mail and freight transportation services (other than where the cost of those services are part of the purchase price of the goods);
- disposal services;
- services to measure, weigh, grade or classify goods if no other related service, other than a related service that is exempt from PST, is provided to the goods;
- engraving services;
- packaging services;
- numbering pages, collating pages and folding pages.

You also do not charge PST on services purchased by First Nation individuals or First Nation bands in certain situations. For more information on exempt sales to First Nation individuals and First Nation bands, please see [Bulletin PST 314](#), *Exemptions for First Nations*.

More information on exemptions will be provided in the near future.

## **Paying and Collecting PST**

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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.



### **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)

You can access our forms, publications, legislation and regulations online at [gov.bc.ca/PST](http://gov.bc.ca/PST) (go to [Forms and Publications](#)).

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

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