

For example, a customer purchases a bundle of services that includes exempt basic cable television services, exempt residential phone services and taxable Internet services for a total price of \$60. The bill does not separately itemize the individual services; there is only a single charge for \$60. PST applies as follows:

- The taxable component of the bundled sale is the Internet services. The fair market value of the taxable component is \$25 because this is the amount that the provider ordinarily charges for this stand-alone service. PST applies on \$25.
- The remaining amount ($\$60 - \$25 = \$35$) is the non-taxable component. \$35 is exempt from PST.

There are a couple of exceptions to the general bundled sale rule outlined above. For example, PST applies to the entire single price for the bundled sale if:

- the fair market value of the taxable component is greater than 90% of the single price and the single price is less than \$500, or
- the non-taxable component is not ordinarily available for sale separately from the taxable component or is not ordinarily provided separately from the taxable component for a price.

For more information on bundled sales, please see [Bulletin PST 316](#), *Bundled Sales: Taxable and Non-taxable Goods or Services Sold Together for a Single Price*.



Need more info?

Online: gov.bc.ca/PST

Toll free in Canada: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

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

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

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

References: *Provincial Sales Tax Act*, sections 1 “accommodation”, “dedicated telecommunication service”, “dedicated telecommunication system”, “electronic device”, “fair market value”, “non-taxable component”, “software”, “substantially”, “taxable component”, “taxable service”, “telecommunication”, “telecommunication service”, “telecommunication system”, 26, 29, 49, 81, 82, 104-114 and 130-136; Provincial Sales Tax Exemption and Refund Regulation, sections 1 “band”, “First Nation individual”, “qualifying school” and 83-88; Provincial Sales Tax Exemption, sections 7, 31, 67-71, 72, 79 and 91.