



## Registering to Collect PST

### Provincial Sales Tax Act

Latest Revision: The revision bar ( | ) identifies changes to the previous version of this bulletin dated February 2021. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin explains how to register and who must register to collect and remit PST.

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### Overview

Generally, you must register to collect and remit PST if you are located in BC and you:

- sell or lease taxable goods in BC,
- sell accommodation in BC, or
- provide legal services, related services (services to taxable goods or to install taxable goods), software or telecommunication services in BC.

Some businesses located outside BC are also required to register.

## **Businesses Required to Register**

### **Businesses Located in BC**

You must register to collect and remit PST if you do any of the following in the ordinary course of your business in BC:

- Sell taxable goods in BC, for example:
  - alcoholic beverages / liquor (see Documentation for Liquor Sellers below)
  - boats
  - building materials
  - cannabis products (see [Bulletin PST 141](#), Cannabis)
  - general merchandise, such as flowers, clothing, cosmetics, appliances or souvenirs
  - household or office furniture
  - motor vehicles, automotive parts and supplies
  - soda beverages (effective April 1, 2021 - see [Notice 2021-002](#), Notice to Sellers of Soda Beverages)
  - vapour products (including parts and accessories)
- Lease taxable goods in BC (including entering into lease agreements in BC or delivering goods to a lessee in BC), for example:
  - aircraft
  - artwork
  - motor vehicles
  - tools and equipment
- Provide related services in BC, for example:
  - application of protective treatments to taxable goods, such as fabric protection, rust proofing or painting
  - repair or maintenance of taxable goods, such as automobiles, knives, watches, TVs, stereos, office equipment or computers
  - restoration or assembly of taxable goods, such as furniture
  - set up, installation or dismantling of taxable goods, such as temporary display counters, shelves or booths at trade fairs and conventions
- Provide legal services in BC
- Provide telecommunication services in BC (including internet access, non-basic cable, non-residential TV services, mobile phone services, satellite services, fax services, streaming services, and digital and electronic media content, such as music and movies)
- Provide software in BC
- Act as a liquidator, receiver, receiver-manager or trustee and dispose of assets as part of your business

If you meet the above criteria, you are prohibited from making retail sales and leasing goods in BC unless you have a valid PST number.

**Note:** You are not required to register if you qualify as a small seller (see Small Sellers below).

## Online Accommodation Platforms

If you are an online accommodation platform located in BC, you must register to collect and remit PST on accommodation sold using your platform.

An **online accommodation platform** is an online marketplace that enables or facilitates transactions for accommodation located in BC. Online classified advertising or listing services that do not collect payment on behalf of persons offering accommodation are not online accommodation platforms for the purposes of PST.

## Accommodation Providers

You must register to collect and remit PST if you sell accommodation in BC, unless you:

- sell only exempt accommodation, or
- only list your accommodation on an online accommodation platform that is registered to collect PST.

For details, see [Bulletin PST 120](#), Accommodation.

## Real Property Contractors

The requirement to register to collect and remit PST depends on the type of contract you have with your customer.

You are not required to register to collect and remit PST if you only enter into contracts to supply and affix, or install, goods that become part of real property. This is because you must pay PST on all goods you obtain to fulfil these contracts, unless an exemption applies.

However, you must register to collect and remit PST if:

- the goods you install do not become part of real property,
- the goods you install become part of real property, you have an agreement that states your customer agrees to pay the PST on the goods and that agreement meets certain conditions, or
- you sell goods that you do not install.

For more information, see [Bulletin PST 501](#), Real Property Contractors.

## Direct Sellers and Independent Sales Contractors

You are a **direct seller** if you:

- do not regularly make retail sales of exclusive products in BC from an established commercial premises (e.g. a retail store), and
- sell exclusive products primarily to independent sales contractors (ISCs).

Exclusive products are those products that you acquire, manufacture or produce and that are primarily offered to purchasers at a retail sale by your ISCs. An exclusive product cannot be liquor, a vehicle, a boat, an aircraft, a manufactured building or a vapour product.

You are an **ISC** if you:

- purchase exclusive products from a direct seller or another ISC of the direct seller for resale or for your own personal use,
- are not an employee or agent of the direct seller, and

- sell or offer to sell the exclusive products only
  - temporarily at an established business premises, or
  - at your private residence or other non-business premises.

Direct sellers must register to collect and remit PST on sales of taxable exclusive products.

Direct sellers located outside BC but within Canada must be registered at the time they cause delivery of exclusive products into BC. Those sales may be to ISCs or directly to purchasers. Direct sellers who only sell exclusive products that are exempt from PST are not required to register.

ISCs who only sell exclusive products must not register to collect PST. However, they must pay PST on their purchases of exclusive products when purchasing those products for resale from a direct seller or another ISC.

For more information, see [Bulletin PST 004](#), Direct Sellers and Independent Sales Contractors.

## **Businesses Located Outside BC**

**Note:** Additional registration requirements for businesses located outside BC will be in effect April 1, 2021. For more information, see **Additional Businesses Required to Register Effective April 1, 2021** below.

### **Businesses Located Outside BC but Within Canada**

You must register to collect and remit PST if you are located outside BC (see Location of Your Business below) but within Canada and do **all** of the following in the ordinary course of your business:

- Sell taxable goods to customers in BC
- Accept orders from customers located in BC (including by telephone, mail, email or Internet) to purchase goods
- Deliver the goods you sell to your BC customers to locations in BC (this includes goods you deliver through a third party, such as a courier)
- Solicit persons in BC (through advertising or other means, including mail, email, fax, newspaper or the Internet) for orders to purchase goods

You must also register to collect and remit PST if you are located outside BC (see Location of Your Business below) but within Canada and do **all** of the following in the ordinary course of your business:

- Sell or provide taxable software for use on or with an electronic device ordinarily situated in BC or sell or provide taxable telecommunication services to customers in BC
- Accept orders from customers located in BC (including by telephone, mail, email or Internet) to purchase software for use on or with an electronic device ordinarily situated in BC or telecommunication services
- Solicit persons in BC (through advertising or other means, including mail, email, fax, newspaper or the Internet) for orders to purchase software for use on or with an electronic device ordinarily situated in BC or telecommunication services

For information on software and telecommunication services, see [Bulletin PST 105](#), Software, and [Bulletin PST 107](#), Telecommunication Services.

**Note:** If you have only a website that is accessible from anywhere in the world, which does not target BC customers, you are not soliciting sales in BC. However, if you have a website and also solicit sales in BC by other means, such as through targeted Internet advertisements, promotional flyers or newspaper advertisements, you are soliciting sales in BC.

If you meet these criteria, you must be registered before delivering goods into BC, providing software for use on or with an electronic device ordinarily situated in BC, or providing telecommunication services.

## **Businesses Located Outside BC Either In or Outside Canada**

### **Businesses With Inventory in BC**

You must register to collect and remit PST if you are located outside BC and are either in or outside Canada (see Location of Your Business below) and do **all** of the following in the ordinary course of your business:

- Sell taxable goods to customers in BC
- Accept orders from customers located in BC (including by telephone, mail, email or Internet) to purchase goods
- Hold the goods you sell to your BC customers in inventory in BC at the time of sale (e.g. you use a BC fulfilment house)

If you meet these criteria, you must be registered before you sell goods held in inventory in BC to a customer in BC.

You must also register to collect and remit PST if you are located outside BC and are either in or outside Canada (see Location of Your Business below) and you, as lessor, lease goods in BC, lease goods that are located in BC at the time of the lease, or lease goods that are transferred to a lessee in BC. If you meet these criteria, you are prohibited from leasing goods in these circumstances unless you have a valid PST number. For more information on leases, see [Bulletin 315](#), Rentals and Leases of Goods.

## **Additional Businesses Required to Register Effective April 1, 2021**

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### **Businesses Located Outside BC but Within Canada**

Effective April 1, 2021, you must also register to collect and remit PST if you are located outside BC (see Location of Your Business below) but within Canada and do **all** of the following in the ordinary course of your business:

- Sell taxable goods to customers in BC
- Accept orders from customers located in BC (including by telephone, mail, email or Internet) to purchase goods
- Deliver the goods you sell to your BC customers to locations in BC (this includes goods you deliver through a third party, such as a courier)
- Meet the minimum BC revenue threshold:
  - your gross revenue in the previous 12 months from all retail sales and leases of goods and all sales and provisions of software and telecommunication services to BC customers is more than \$10,000, or
  - your estimated gross revenue in the next 12 months from all sales and provisions of software and telecommunication services to BC customers is more than \$10,000

If you sell vapour products (including parts and accessories) to BC customers, you must register to collect and remit PST even if you do not meet the minimum BC revenue threshold.

If you meet these criteria, you must be registered (as of April 1, 2021) before delivering goods into BC. Starting April 1, 2021, you must collect and remit PST on all your taxable sales to BC customers.

## **Businesses Located Outside BC Either In or Outside Canada**

Effective April 1, 2021, you must also register to collect and remit PST if you are located outside BC and are either in or outside Canada (see [Location of Your Business](#) below) and do **all** of the following in the ordinary course of your business:

- Sell or provide taxable software for use on or with an electronic device ordinarily situated in BC or sell or provide taxable telecommunication services to customers in BC
- Accept orders from customers located in BC (including by telephone, mail, email or Internet) to purchase software for use on or with an electronic device ordinarily situated in BC or telecommunication services
- Meet the minimum BC revenue threshold:
  - If you are located in Canada:
    - your gross revenue in the previous 12 months from all retail sales and leases of goods and all sales and provisions of software and telecommunication services to BC customers is more than \$10,000, or
    - your estimated gross revenue in the next 12 months from all sales and provisions of software and telecommunication services to BC customers is more than \$10,000
  - If you are located outside Canada:
    - your gross revenue in the previous 12 months from all sales and provisions of software and telecommunication services to BC customers is more than \$10,000, or
    - your estimated gross revenue in the next 12 months from all sales and provisions of software and telecommunication services to BC customers is more than \$10,000.

For information on software and telecommunication services, see [Bulletin PST 105](#), Software, and [Bulletin PST 107](#), Telecommunication Services.

If you meet these criteria, you must be registered (as of April 1, 2021) before providing software for use on or with an electronic device ordinarily situated in BC or providing telecommunication services. Starting April 1, 2021, you must collect and remit PST on all your taxable sales to BC customers.

## **Sellers of Soda Beverages**

Effective April 1, 2021, you must register to collect and remit PST if you sell soda beverages in BC. This includes restaurants, cafeterias, coffee shops, food trucks, food kiosks, movie theatres, and other eating or drinking establishments.

For more information, see [Notice 2021-002](#), Notice to Sellers of Soda Beverages.

## **Obligations of Businesses Required to Register**

All businesses required to be registered to collect and remit PST are considered to be collectors whether or not they are actually registered. All collectors have specific obligations and should read our [Small Business Guide to PST](#).

## **Businesses Not Required to Register**

You are not required to register to collect and remit PST if you do not make taxable sales of goods, software or accommodation, do not make taxable leases of goods, and do not provide taxable services (related services, telecommunication services and legal services).

For example, you do not need to register if you:

- Only sell non-taxable or exempt software or goods (such as children's clothing), or provide non-taxable or exempt services (such as dry cleaning or transportation services)
- Are a wholesaler and do not make retail sales
- Are a small seller (see Small Sellers below)
- Are an independent sales contractor only selling exclusive products (see Direct Sellers and Independent Sales Contractors above)

If you are not registered and you collect PST or an amount as if it were PST on any sales or leases, you must remit that amount. For example, if you charged and collected PST on an exempt or non-taxable item or collected tax at an incorrect rate (e.g. 10% instead of 7%), you would still have to remit that amount. Depending on the circumstances, your customer may be entitled to a refund either directly from you or from us.

If you are not required to register to collect and remit PST, you may still wish to register so you can use your PST number to claim an exemption in certain circumstances, e.g. inventory purchases for resale (see Voluntary Registration below).

### **Small Sellers**

If you qualify as a small seller, you are not required to register to collect and remit PST. Small sellers pay PST when purchasing products for resale and do not charge or collect PST on their sales.

You may be a small seller if:

- you are located in BC,
- you do not maintain an established business premises and do not regularly make retail sales from an established commercial premises (e.g. you do not sell goods from a shop, including a home-based shop),
- you have \$10,000 or less in gross revenue from all retail sales of eligible goods, software and services in the previous 12 months, and
- your estimated gross revenue from all retail sales of eligible goods, software and services in the next 12 months is \$10,000 or less.

This is not a complete list. For more information and to find out if you qualify as a small seller, see [Bulletin PST 003](#), Small Sellers.

### **Voluntary Registration**

If you are not required to register, you may **voluntarily** register to collect and remit PST in the following situations:

- You carry on business in BC or intend to carry on business in BC
- You are located outside BC and you operate an online accommodation platform

- You are located in Canada but outside BC (see Location of Your Business below) and you sell or provide (or intend to sell or provide) goods, software, legal services, related services or telecommunication services to a person in BC
- You are located outside Canada (see Location of Your Business below) and you sell or provide (or intend to sell or provide) any of the following to a person in BC:
  - software, legal services, related services or telecommunication services
  - goods for commercial use that you bring, send or cause to be delivered into BC from outside Canada
  - goods you purchase in Canada to fulfil an agreement to sell or provide the goods to a person in BC (e.g. you fill orders using suppliers located in Canada who ship goods to persons in BC, also known as “drop shipping”)
  - goods you hold in inventory in Canada but outside BC at the time you sold or provided the goods to a person in BC

Businesses that wish to voluntarily register to collect and remit PST may apply using any of the options described in Registration below.

**Note:** If you are located outside BC and wish to voluntarily register, you may be required to enter into an agreement with us prior to your registration being approved.

## **Designation Agreements for Principals and Agents**

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In a principal and agent relationship, one person (the agent) acts on behalf of another (the principal) when selling or leasing goods, selling software or providing services.

If you are in a principal and agent relationship, you have the option to jointly designate one of the parties to collect and remit PST, and municipal and regional district tax (MRDT), if applicable, on sales and leases made under a designation agreement.

**Note:** When a designation agreement applies to accommodation, it applies to both PST and MRDT.

Examples of a principal and agent relationship where the parties could choose to make a designation include:

- An artist who regularly sells their work through an art gallery
- A cosmetics counter in a department store
- A yacht owner who regularly leases their yacht through an agent such as a marina

To make a designation, both parties must complete the Designation Agreement or Cancellation ([FIN 406](#)).

Once the parties have made a designation, the designated party must:

- Within 90 days of the first sale or lease made under the designation agreement:
  - Send us a completed Designation Agreement or Cancellation ([FIN 406](#)).
  - Register to collect PST (if not already registered). If the designated party is already registered, we recommend they register for a separate PST account for sales and leases made under this agreement.

**Note:** The designation will be void if, within 90 days, we do not receive a copy of the agreement or the designated party does not register to collect PST.

- Charge, collect, report and remit PST and MRDT (if applicable) on sales and leases made under the designation agreement

The non-designated party does not need to register to collect PST for sales and leases made under the designation agreement and must **not** charge and collect PST on these sales and leases. However, they must continue to charge, collect, report and remit PST and MRDT (if applicable) on any sales and leases they make outside of the designation agreement, if applicable.

Both parties to the designation agreement are liable for any assessments, penalties or interest imposed for failing to charge, collect or remit the PST due. For information on penalties and interest, see [Bulletin CTB 005](#), Penalties and Interest.

To cancel a designation, send us a completed Designation Agreement or Cancellation ([FIN 406](#)).

## Auction

If you are an auctioneer and acting as an agent, you are responsible for charging, collecting, reporting and remitting PST. If the principal (owner) is not a small seller, you may jointly agree that the principal will charge, collect, report and remit the PST. Contact us for more information.

## Location of Your Business

The location of your business affects whether you must register to collect and remit PST. For PST purposes, your business is considered to be located:

- in BC,
- outside BC but within Canada, or
- outside Canada.

We consider your business to be **located in BC** if **any** of the following conditions are met:

- Your business has a physical presence in BC, including:
  - a storefront, factory, mill, branch, office or other physical place of business (except use of temporary space such as trade show booths)
  - a place of extraction such as a mine, oil and gas well, or logging site
  - real property, such as a warehouse or yard, that is leased or owned (does not include a contract with another person to store inventory, such as a contract with a fulfilment house)
- Your business has agents or employees physically located in BC
- Your business's management and control is in BC

We consider your business to be **located outside BC but within Canada** if you are not considered to be located in BC as described above and **any** of the following conditions are met:

- Your business has a physical presence in Canada, including:
  - a storefront, factory, mill, branch, office or other physical place of business (except use of temporary space such as trade show booths)
  - a place of extraction such as a mine, oil and gas well, or logging site
  - real property, such as a warehouse or yard, that is leased or owned (does not include a contract with another person to store inventory, such as a contract with a fulfilment house)
- Your business has agents or employees physically located in Canada
- Your business's management and control is in Canada

We consider your business to be **located outside Canada** if you are not considered to be located in BC or Canada as described above.

**Note:** We consider your business's management and control to be where the persons in control of the business make most of their decisions regarding the business. For example, the management and control of a corporation is generally in BC if the members of the board of directors meet and hold most of their meetings in BC.

## Registration

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You can apply to register to collect and remit PST using any of the following options:

- **Online:** register using **eTaxBC** (see our webpage [Register to Collect PST](#) for more information)
- **In person:** visit your local [Service BC Centre](#)
- **By fax or mail:** complete a paper form and mail or fax it to us

The Application for Registration for Provincial Sales Tax (PST) ([FIN 418](#)) is available from any Service BC Centre and on our website.

If we approve your application, you will be provided with a letter advising you of your PST number and your ongoing reporting periods for your PST returns.

**Note:** Registering to collect PST and having a registration number does not take the place of a business licence or any other required authorization. You apply for a business licence through your municipality or regional district, or through the [OneStop Business Registry](#) in participating municipalities.

## Liquor and Cannabis Sellers

If you sell (or intend to sell) liquor at a restaurant, bar, pub or similar establishment, or you sell (or intend to sell) non-medical cannabis products, you must provide us with the following documentation as part of your application for registration to collect and remit PST:

- Proof of your liquor or cannabis licence(s)
- If you **purchased** the business from the previous owner, you must include a copy of the signed bill of sale or purchase agreement
- If you **lease** the premises, you must attach a copy of your lease agreement to show you have the legal right to operate in that location

- If you **operate but do not own** the business, you must attach a copy of your management or third-party operating agreement

## Notification of Changes

Once you are registered, you must notify us if you:

- change your address, change the name or nature of your business, or stop operating your business, or
- change the legal structure of your business (e.g. sole proprietor to corporation).

**Note:** Your PST number is not transferable and if you do not comply with the provisions of the Provincial Sales Tax Act, you may have your PST number suspended or cancelled.



## Need more info?

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

Toll free: 1-877-388-4440

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

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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

February 18, 2021

- Subject to regulatory approval, effective April 1, 2021, you must register to collect and remit PST if you sell soda beverages in BC

February 2021

- Subject to regulatory approval, effective April 1, 2021, certain businesses located outside BC that are currently not required to be registered to collect and remit PST must be registered if they meet specific criteria
  - Other minor revisions
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References: Provincial Sales Tax Act, sections 1 “accommodation”, “collector”, “direct seller”, “electronic device”, “exclusive product”, “independent sales contractor”, “lease”, “legal services”, “lessor”, “online accommodation platform”, “registrant”, “registration number”, “related service”, “retail sale”, “sale”, “small seller”, “soda beverage”, “software”, “taxable service”, “telecommunication service”, “use”, “vendor”, 26.1, 80, 89, 91, 98, 99, 105, 106, 119, 122, 126, 130, 137(e), 139(a), 168-182 and 183.