Information Bulletin

PST-15 **Issued: October 1987** **Revised: February 2025**

THE PROVINCIAL SALES TAX ACT

SERVICE STATIONS AND AUTOMOTIVE REPAIR SHOPS

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

Changes to this bulletin are indicated by a (|) in the left margin.

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A. TAXABLE GOODS

- Air compressors, **except** when purchased for farm use upon completion of a *Farm Exemption Certificate* or equivalent.
- Air fresheners.
- Antifreeze, except when installed by the service station in farm implements or farm machinery.
- Auto accessories such as mirrors, lights, wheel covers, floor mats and seat covers.
- Automotive cleaning products such as waxes, polishes, chamois and sponges.
- Barbecue charcoal and starter fluid.

- Battery chargers.
- Bedding plants.
- Bug screens and deflectors.
- Carbon arc tips, except when sold as a part of a welding unit for farm use.
- Cigarettes, cigars, fine cut tobacco and smokeless tobacco products.
- Clothing and footwear, including children's clothing and footwear.
- Confections, including candies, nuts and soft drinks (see Information Bulletin. PST-2, *Grocery, Convenience & Drug Stores*).
- Electrical cords.
- Freon and recycled freon, except when installed by the vendor in farm implements or farm machinery.
- Fungicides, except when purchased for farm use.
- Gasoline additives, including de-icer.
- Hand tools.
- Insect repellents.
- Insecticides, except when purchased for farm use.
- Kerosene for kerosene lamps.
- Lawn and garden tools.
- Motor oil and oil additives, except when installed by the vendor in farm implements or farm machinery.
- Naphtha gas.
- Non-prescription drugs and medicines such as pain relievers, vitamins and ointments.
- Peat moss and vermiculite.
- Pens.
- Postcards.
- Sandbags.
- Solvent.
- Starting fluid.
- Sunglasses and suntan lotions.
- Tire road hazard extended warranties, except for farm implement tires.
- Tire warranty adjustments, except for farm implement tires, tax applies to any charges to the customer.
- Tires, except tires specifically designed as farm implement tires.
- Transmission oil, except when installed by the service station in farm implements or farm machinery.
- Truck accessories such as boxes, racks and hoists whether purchased separately or with the vehicle.
- Windshield scrapers and brushes.
- Windshield washer fluids.
- Windshields, windshield installation charges, and windshield repairs.

B. EXEMPT GOODS

- Basic groceries (see Information Bulletin PST-2, *Grocery, Convenience & Drug Stores*).
- Books - paper back, hard cover.
- Comic books.
- Fertilizer.
- Firewood and compressed fire logs and pellets (heating and cooking).
- Gasoline and propane.
- Ice.
- Magazines and periodicals.
- Matches.
- Newspapers.
- Sales under 26 cents.
- Weed control chemicals.

C. REPAIR PARTS AND LABOUR

Automotive repair services are subject to tax, including labour charges and charges for new and used parts. This includes services such as installation, assembly, dismantling, adjusting, restoring, examining, testing, reconditioning, wheel alignments, wheel balancing, tire repairs, lubrication, inspections, battery charging and diagnostic charges.

Charges to repair exempt farm implements are not subject to tax. For further information on exempt farm implements please refer to Information Bulletin PST-16, *Farm Implements and Supplies.*

Used Parts

Used parts sold or itemized in repairs for individuals for personal use, are subject to PST on the selling price of the parts less a deduction of $300 per item.

If a trade-in is involved, the purchaser is entitled to the $300 deduction or the value of the trade-in, whichever is greater. The $300 deduction does not apply to sales of items for business use or on used parts from outside of Canada.

Reconditioned or Remanufactured Parts

Reconditioned or remanufactured goods, such as motors, transmissions, alternators, brake shoes, batteries, fuel pumps, water pumps and retreaded tires are subject to tax on the total selling price. If an exchange unit is traded-in, the tax must be calculated on the cash difference. **A refund of tax is permitted on core credits** when the item is subsequently returned.

On the sale of a used part to an **individual** who receives credit for a core charge, the greater of the $300 personal exemption **or** the actual core charge may be deducted, but **not** both.

Warranty Repairs

Tax does not apply to parts and labour used to repair a vehicle when those repairs are completed under the terms of the extended warranty or factory warranty.

Tax will apply to any of the charges that are billed directly to the customer including deductible charges and charges for parts or labour that are not covered under the terms of the warranty contract.

For further information on extended warranty contracts, please refer to Information Bulletin PST-6, *Extended Warranty and Maintenance Contracts*.

D. SHOP SUPPLIES

Charges to the customer for shop supplies are subject to PST. This includes charges invoiced to the customer as a fixed percentage of the total labour charge to cover the shop supplies used.

If these charges are shown as a separate line item on the invoice to the customer, the repair shop is required to collect the PST on the charge and may purchase these items exempt from tax by quoting their vendor's licence number to their suppliers.

If the shop supplies are not invoiced as a separate line item to the customer, the repair shop is required to pay PST on the purchase of these goods.

Shop supplies include the following:

- Abrasive stones and discs
- Acid core solder and bits
- Adhesive sealant
- Bearing grease
- Bench lubricant
- Brass rods
- Carburetor solvent
- Chassis grease
- Choke cleaner
- Door ease
- Electric rods
- Electrical tape
- Fiberglass
- Gasket material
- Gasket sealer compound
- Glue
- Masking paper
- Mechanical wire
- Minor hardware (nuts, bolts, washers)
- Parts cleaning solvent
- Protective material
- Resin
- Silicone pastes, sprays and adhesives
- Solder
- Steel wool
- Steel rods
- Undercoat
- Upholstery cleaner
- Window weld
- Wiping rags

E. FARM REPAIR PARTS AND MAINTENANCE ITEMS

The following rules apply to farm implement and farm machinery repair parts and maintenance items, including air filters, fuel filters, oil filters, cultivator bolts, bearings, hydraulic hose and fittings, spark plugs, batteries, generators, fan belts and repair parts for electric motors, and stationary internal combustion engines:

- Parts which are designated as farm implement and farm machinery replacement parts by the manufacturer or wholesale distributor are exempt when sold over the counter or installed by the vendor.
- Parts which are interchangeable for use in motor vehicles and installed in farm implements or farm machinery by the vendor are exempt **but not** parts which are interchangeable for use in motor vehicles and sold over the counter.
- Oil, grease and other additives installed in farm implements or farm machinery by the vendor are exempt **but not** oil, grease and other additives which are sold over the counter.

F. ENVIRONMENTAL HANDLING FEES

Environmental handling fees imposed by the Government of Saskatchewan are **not subject to PST when they are segregated on the customer's invoice.**

Exempt environmental handling fees include charges billed to a customer for disposal of oil, oil filters, antifreeze, diesel exhaust fluid containers, diesel fuel filters and tires.

For further information, please see Information Notice *IN 2023-05, Disposal and Environmental Fees.*

G. INSPECTION AND DIAGNOSTIC SERVICES

Charges to diagnose, examine or inspect vehicles are subject to tax when the service is provided in connection with the repair of the vehicle. These services are provided in order to identify and assess potential repairs and are subject to tax whether or not the actual repairs are completed.

In cases where specialized diagnostic equipment is used to conduct the analysis, any charges to the customer for use of this equipment form part of the service agreement and are also subject to tax.

Mandatory inspections that are regulated by a governing body to ensure standards are maintained, such as Saskatchewan Government Insurance safety inspections, are not subject to tax as these are not intended to be provided in relation to the repair of the vehicle.

H. SUBLET REPAIRS

Repairs sublet to other shops may be purchased exempt from tax by quoting your vendor's licence number to the company providing the repair. Tax must be collected on repair parts and labour charges invoiced to your customer.

I. EMERGENCY ROADSIDE SERVICES

Emergency roadside services, including gas delivery, tire changes, "lock-out" services, towing and battery boosting are not subject to tax. The company providing the roadside services is required to pay PST on all supplies and equipment used in providing these services.

J. VEHICLE DETAILING

Vehicle cleaning services such as washing, waxing and deodorizing are not subject to tax. The company providing the vehicle detailing services is required to pay PST on all supplies and equipment used to provide the service.

K. ELECTRIC VEHICLE CHARGING SERVICES

Services to charge electric and hybrid vehicles, through electric vehicle charging stations or other power sources, are not subject to tax. The company providing the vehicle charging service is required to pay PST on all equipment and electricity used to provide the service.

Note: Producers of electricity that provide electric vehicle charging services are required to pay tax on the manufactured cost of electricity consumed in providing the service. For further reference, please see Information Bulletin PST-37, *Manufactured Cost of Goods Produced for Own Consumption*.

L. EXEMPT SALES

The following sales are not subject to tax:

- Goods and labour services provided to other repair shops for resale providing their vendor's licence number is recorded on the invoice.
- Vehicles, trailers and certain repair parts and labour services sold to an interjurisdictional carrier providing the carrier presents their valid apportioned cab card and the carrier's cab card number is recorded on the sales invoice to substantiate the tax exemption. For further information, please see Information Bulletin PST-50, *Interjurisdictional Carriers.*
- Repairs to rental or leasing company vehicles. The purchaser's vendor's licence number must be recorded on the sales invoice.
- Sales to non-residents where the goods are shipped out-of-province by the vendor and evidence of shipment is retained **but not** sales to non-residents which are taken at the time of purchase, including vehicle repairs.
- Sale or lease of goods to Status Indians, Indian bands or non-commercial band-empowered entities are exempt from PST providing the goods are delivered to a reserve by the vendor or a third-party carrier arranged by the vendor. To qualify for the exemption an individual must present their *Certificate of Indian Status* card and the vendor must record the complete 10-digit card number on the sales invoice. For an Indian band or non-commercial band-empowered entity, the band number and band name must be recorded on the sales invoice. A band-empowered entity must also

certify that the purchase is for non-commercial band-management activities. **The vendor must retain documentation to support the exemption, including proof of delivery such as a waybill, freight bill or postal receipt.**

Repair labour performed on reserve for status Indians and Indian bands is not subject to tax providing the above documentation requirements are met. **Proof the labour was performed on reserve must be retained.** Repairs performed off reserve are taxable.

Please see Information Bulletin PST-63, *Sales to First Nations Individuals and Organizations* for further information.

- Sales to federal government departments and agencies.
(**Note**: Sales to federal crown corporations and provincial government ministries, agencies and crown corporations are **taxable**).

M. SALES OF USED BUSINESS ASSETS

Businesses are required to collect tax on the sale of used assets, such as taxable vehicles and equipment. When used assets are being sold as part of the closure of a business, the purchaser is required to self-assess and report the tax.

When individuals purchase used goods for personal use, other than vehicles, tax applies to the selling price of the goods less a deduction of $300 per item. If a trade-in is involved, the purchaser is entitled to a deduction of $300 or the value of the trade-in, whichever is greater. If the goods are for commercial use, the $300 deduction does not apply.

For further information, please see Information Bulletin PST-58, *Used Goods*.

N. GOODS AND SERVICES FOR YOUR OWN USE

Businesses are required to pay tax on purchases of new and used equipment, supplies and taxable services purchased for use in their business operations. Tax is payable as follows:

- When purchased from a licensed supplier, the tax must be paid to the supplier at the time of purchase.
- When purchased from a supplier who did not collect the tax, or when taken from an exempt resale inventory, the tax must be self-assessed and remitted with the regular tax return. This includes goods taken for personal or business use.
- When purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and remitted with the regular tax return on the laid down cost, which includes currency exchange, transportation charges, customs and excise duties, and importation charges, but not the GST.

O. TAX TIPS LINE

When a business or individual does not comply with provincial tax legislation, businesses face unfair competition, and a burden is placed on all taxpayers who do comply. It causes significant loss in the revenue available to fund services such as health, education and other important government programs.

The Tax Tips Line provides an anonymous, fully confidential way for the public to report businesses or individuals who are participating in tax fraud. If you suspect that a business or individual is being dishonest with their provincial taxes or is misrepresenting their activities to reduce their taxes, you can report them using the Tax Tips Line.

Please visit our website at saskatchewan.ca/business/taxes-licensing-and-reporting/provincial-taxes-policies-and-bulletins/tax-tips-line to find out more regarding types of tax fraud and the information to report, if possible.

The Tax Tips Line is specifically and solely for information related to provincial tax compliance. Any unrelated inquiries or information will not be addressed by the Tax Tips Line and should be directed to the appropriate organization.

How to Report:

1) Toll-free 1-833-334-8477
2) Write: Ministry of Finance
   Revenue Division
   PO Box 200
   REGINA SK S4P 2Z6
3) Online Form Submission

P. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS (sets.saskatchewan.ca):

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

FOR FURTHER INFORMATION

Write:	Ministry of Finance Revenue Division PO Box 200 REGINA SK S4P 2Z6	Telephone:	Toll Free 1-800-667-6102 Regina 306-787-6645
		Email:	sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

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Government website: Saskatchewan.ca