

Information Bulletin

PST- 2

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THE PROVINCIAL SALES TAX ACT

INFORMATION FOR GROCERY, CONVENIENCE AND DRUG STORES

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 margins.

The contents of this bulletin are presented under the following sections:

- A. Taxable and Exempt Categories
- B. Other Exempt Sales
- C. Vapour Products Tax and Retail Sale of Vapour Products
- D. Status Indians and Indian Bands
- E. Sales of Used Business Assets
- F. Goods and Services for Your Own Use
- G. Saskatchewan eTax Services (SETS)

Appendix – *Taxable and Exempt Food and Beverages*

A. TAXABLE AND EXEMPT CATEGORIES

General categories of tax-exempt items include basic groceries, prescription drugs and medicines (that can only be obtained by prescription from a duly qualified medical practitioner), books and magazines, feminine hygiene products, and certain medical equipment and orthopedic appliances.

Groceries, food and beverage products are subject to PST on the same basis as the GST, therefore when tax applies for GST purposes, PST also applies.

In order to provide you with a convenient reference, we have prepared the following list of examples of some of the more common exempt and taxable items sold in grocery and drug stores. Product names are used for illustrative purposes. **See the Appendix for additional information on taxable and exempt food and beverages.**

<u>EXEMPT</u> A	<u>TAXABLE</u> A
Ankle supports	Absorbent cotton
Anti-burn scar supports	Absorbine Jr.
Arch supports	Acne preparations
Artificial sweeteners	Adults' clothing and footwear
Atlases	Aerochambers
	Aftershave lotions
	Air deodorizers and air fresheners
	Albums
	Alcohol – rubbing
	Alcohol swabs
	Aluminum foil wrap
	Ammonia
	Antacids
	Antifreeze
	Antiphlogistine rub
	Antiseptics
	Appetite suppressants
	Aprons
	Aspirin and similar non-prescription analgesics
	Artificial flowers, trees
	Athletic supports
<u>B</u>	<u>B</u>
Baby food	Baby bibs
Baby diapers – cloth/disposable	Baby blankets
Baby pants – plastic/rubber	Baby clothing
Back supports	Bunting bags
*Blood pressure kits	Baby shampoos
Books – Paperback, hard cover	Baby oils
Braces (support but not athletic)	Baby pins
	Baby powders and toiletries
	Ballpoint pens
	Bandages
	Barbecue charcoal, starter fuel
	Bath oils, toiletries
	Bathing suits, caps (exempt for children)
	Batteries (hearing aid batteries and wheelchair batteries are exempt)
	Beach bags
	Beauty aids
	BenGay ointment
	Beverages –dispensed
	Bird gravel
	Birdseed

*Purchases by hospitals, nursing homes and institutions providing medical or palliative care are taxable.

<u>EXEMPT</u> B	<u>TAXABLE</u> B
	Birth control devices
	Borax
	Breast pads and pumps
	Breath mints
	Breath sprays
	Bubble bath
	Buckles (exempt for children)
	Bulbs – garden
	Burn remedies
	Buttons and clothing fasteners
C	C
Canes	Calendars
*Cholesterol testers and monitors	Camera supplies
*Colostomy units	Candy
Colour flame logs	Candy bars
Colouring books, paste books	Carbonated beverages
Comic books	Cards – greeting
Cook books	Cassettes and compact discs (CDs)
Crutches	Cat food
	Chapstick
	Chest rubs
	Children’s clothing and footwear
	Christmas trees – artificial and natural
	Cigarettes, cigars, tobacco, snuff and electronic
	Cigarettes & accessories
	Cigarette holders
	Cigarette makers
	Cigarette tubes
	Cleaners
	Clocks
	Coffee filters
	Colognes
	Combs
	Computer software and video games
	Condoms
	Confections, including candies, nuts and soft drinks
	Contact lens solutions
	Contraceptive devices
	Contraceptive gel
	Coppertone
	Cosmetics and beauty aids

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<u>EXEMPT</u> C	<u>TAXABLE</u> C
	Cotton swabs, balls Cough syrups Crayons Creams – face, hand, shaving, skin – medicated or otherwise, including eczema preparations, psoriasis preparations, acne preparations, diaper rash ointments and creams, first aid creams, liniment preparations, dermatologic skin preparations and sunburn medications Cut flowers
D	D
*Diabetic blood and urine testing strips and tablets *Diabetic needles and syringes Diaper inserts and liners Diapers – cloth/disposable Dictionaries Dura flame logs Drugs and medicines – that can only be obtained by prescription from a duly qualified medical practitioner	Dental floss Denture adhesives Denture cleaners Deodorants Deodorizers Depilatories Dermatologic skin preparations Detergents Diaper pins Diaper rash ointments and creams Diaphragms Dietary supplements Disinfectants Dog chews – rawhide and other dog treats Dog food Drano Dressings – hair Drugs and medicines – that can be obtained without a prescription Dry cleaning services Dust Bane Dust removers
E	E
Elbow braces/supports Encyclopedias *External diagnostic agents purchased by individuals for blood and urine testing	Ear preparations Earrings Eczema preparations Elastic Electrical appliances Electrical supplies - cords, plugs, fuses, light bulbs Electronic cigarettes & accessories

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<u>EXEMPT</u> E	<u>TAXABLE</u> E
	Envelopes Eye preparations, including drops and contact lens solutions
F	F
*Feeding utensils designed for disabled individuals Feminine hygiene products – tampons, menstrual cups, sanitary pads and belts Fertilizers Fire logs – Dura Flame, Presto Fungicides (sold for farm use or to cities, towns and RMs)	Fabric glue Fabric materials Face cream and cleaners Face make-up preparations Facial tissues Feminine hygiene products – sprays, deodorants, douches, wipes Film Film processing First aid creams First aid kits Flashbulbs Fluoride Flower bulbs and seeds Flowers – cut, artificial, potted Fondue fuel Food heated for consumption Food supplements in powder, pill, capsule or liquid form Foot medications Foot powders Fruit juice (less than 25% natural juice) Fungicides Furniture polish Fuses
G	G
Garden books *Grab bars and gripping devices designed for disabled individuals	Games Garbage bags Garden seeds and bulbs Garden tools, equipment, furniture Gargles and rinses Gauze Gels – hair setting Germicides Glass cleaners Gloves – rubber/disposable, cloth Glues Grass seed

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<u>EXEMPT</u> G	<u>TAXABLE</u> G
	Greeting cards Grooming aids Growing medium (soil-less) for plants Gum
H	H
Hearing aids, parts and batteries Herbicides Herbal tea (taxable if prepared) Herbs/spices *Home traction kits	Hair brushes, combs, curlers Hair care - dyes, sprays, removers, gels, shampoos, tonics, creams, dressings, conditioners, perms Hair ribbons and bows Handbags Hand creams, lotions Heart rate monitors Heat liniment/cream Heating pads Hemorrhoid preparations Hosiery Hot water bottles and ice bags Household cleaners Humidifiers
I	I
Ice *Ileostomy units Immobilizers (braces and supports) Incontinent bags, pants, pads Insecticides (sold for farm use or to cities, towns and RMs)	Inhalants Insecticides Insect repellants (sprays, coils, lotions) Insoles Iodine
J	J
	J-cloths Jars – canning Jewelry Jiffy toothache drops
K	K
Knee braces and supports Knitting books	Keri lotion Kitchen ware, utensils Kits (needlepoint, pettipoint crochet, etc.) Kitty litter Kleenex Knitting bags

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<u>EXEMPT</u> L	<u>TAXABLE</u> L
*Lancet holders	Lactose drops, pills
*Lancets	Laundry supplies
Lottery tickets	Lawn seed
Livestock medicaments, including sprays for warbles and similar diseases	Light bulbs
	Lighter fluid
	Lighters
	Liniments – liquid/cream
	Lip balms
	Liquid soap
	Listerine
	Loose leaf binders
	Lozenges - medicated
	Lubriderm lotion
	Lye
M	M
Magazines	Machine oil
Matches	Maps (atlases are exempt)
Meal replacement bars and beverages	Magnetic bracelets and necklaces
*Medical alert bracelets	Medications – tooth, gum, skin
*Medical alert monitoring systems	Mentholatum Deep Heat Rub
	Minerals (supplements)
	Mothballs
	Motor oil
	Mouthwashes
N	N
Napkins - sanitary	Napkins – paper/cloth
*Nebulizers	Nasal sprays, drops
*Needles and syringes used by diabetics	Needles and syringes (except for diabetic use)
Newspapers	Nicotine gum
	Nicotine patches
	Nilodor
	Nivea cream
	Nose drops, sprays
	Noxzema
	Nursing pads
	Nylons
O	O
Orthopaedic appliances, including trusses and parts, cervical collars, spinal braces, surgical supports, sacroiliac belts and supports	Obus forms
Orthopaedic insoles (must be custom inserts)	Ointments
	Onion sets, bulbs
	Ornamental plants
	Oven cleaners
	Oven mitts

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<u>EXEMPT</u> O	<u>TAXABLE</u> O
Orthopaedic shoes (must be prescribed by a duly qualified medical practitioner) *Ostomy equipment and supplies	Ozonol
P	P
Pampers Periodicals Potting soil Prescription drugs – that can only be obtained by prescription from a duly qualified practitioner Presto logs	Panty hose Paper – toilet, towels, wax, napkins Party favours Patterns – clothing, knitting, crochet Peat moss Pencils Pens Perfumes Peroxide Personal hygiene supplies Pet food, including vitamins and dietary supplements Pet supplies, toys Petroleum jelly Photo albums Pictures, picture frames Pipes, pipe cleaners, filters Plastic – plates, cups, cutlery Polish – shoe, floor, furniture, metal Porous plasters Postcards Pre-moistened towelettes Pregnancy test kits Preparation H Prepared foods and beverages Prophylactics Psoriasis preparations Purses
R	R
*Reaching aids designed for disabled individuals *Reagent strips	Raid insecticides, coils, sprays Razor blades Rinses and gargles Room sprays Rubber gloves Rubbing alcohol Rug/upholstery cleaners

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<u>EXEMPT</u> S	<u>TAXABLE</u> S
Sacroiliac belts and supports	Salves
Sales under 26¢	School supplies such as scribblers, pens, pencils, and glues
Sanitary napkins	Seam binding materials
Shoulder braces	Seeds – flower, vegetable, grass, sprouting
Spinal braces	Shampoos
Splints	Shaving supplies
Stamps – postage	Shoe laces
Support hose and surgical stockings	Shoe polish, dyes
Supports and braces (back, arch, ankle, knee, shoulder)	Shrubs
Surgical supports, appliances and parts	Silver polish
*Syringes and needles used by diabetics	Skin creams and lotions
	Snack foods
	Soaps – pads, flakes, powders, toilet, detergents, bath, medicated or otherwise
	Spinal rolls and pillows
	Sports cards, including those sold with gum
	Stamp albums
	Stationery
	Sun glasses (non-prescription)
	Sun lamps
	Sunburn medications
	Suntan lotions/sprays/oils
	Suppositories
	Surgical dressings
	Suspensories
	Syringes and needles (except for diabetic use purchased by individuals)
T	T
Trusses and parts	Talcum powders
Tampons	Teething lotions
	Tensor bandages
	Thermometers
	Thread
	Throat sprays
	Tissue paper
	Tobacco
	Toilet cleaners
	Toilet paper
	Toiletries
	Tomato plants
	Tooth brushes
	Toothache drops

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<u>EXEMPT</u> T	<u>TAXABLE</u> T
	Toothpaste and powders Toys Tropical plants
V	V
Venous pressure gradient elastic supports	Vaporizers Vaseline Vegetable seeds Velcro Vermiculite Veterinary medicaments for pets Vicks Vap-O-Rub Video rentals Visine eye drops Vitamins
W	W
Walkers Weed control chemicals Wheelchair batteries Wheelchair replacement cushions Wheelchairs Wine kits, including kits with labels, corks and shrink capsules	Wallets Water softener salt Wave sets Wax paper Waxes and conditioners for floors and furniture Wet wipes Window cleaners Wine making equipment Wine kits that include wine making equipment Wool Wrist straps and wristbands Writing materials
Y	Y
	Yard goods and notions
Z	Z
	Zippers

B. OTHER EXEMPT SALES

Grocery and drug stores are not required to collect the tax on the following sales:

- Goods sold to other vendors for resale (the purchaser's PST vendor's licence number must be recorded on the sales invoice).
- Goods that are shipped out of province by the vendor (evidence of shipment must be retained).
- Goods sold to federal government departments or agencies (goods sold to federal crown corporations, provincial government ministries or agencies or to provincial crown corporations are subject to tax).

C. VAPOUR PRODUCTS TAX AND RETAIL SALES OF VAPOUR PRODUCTS

Effective September 1, 2021, Vapour Products Tax (VPT) at the rate of 20% applies to all vapour products pursuant to *The Vapour Products Tax Act*.

Provincial Sales Tax (PST) at the rate of 6% continues to apply to vapour products sold through August 31, 2021. Vapour products sold after this date will no longer be subject to PST. **Either VPT or PST applies, not both.**

All vendors of vapour products are required to be registered with the Revenue Division as a VPT Licenced Vendor for the purpose of collecting and remitting VPT at 20% on taxable sales.

This licence is in addition to the PST Vendor's Licence required for PST taxable sales. A separate return must be completed to report and remit the VPT collected.

Vapour products taxable at 20% under *The Vapour Products Tax Act* include:

- E-cigarettes and other vaping devices
- Cartridges, parts and accessories for these devices
- E-substances (vaping substances)

For further information regarding products subject to VPT, please refer to Information Bulletin [VPT-1, Vapour Products Tax](#).

D. STATUS INDIANS AND INDIAN BANDS

Sales to Status Indians or Indian bands are not subject to tax providing the goods are delivered to the reserve by the retailer and the Certificate of Indian Status identification card number or band number is recorded on the invoice. The complete 10-digit card number must be recorded on the sales invoice. If the federal identification card number is only three to five digits, record the number and the name of the band on the sales invoice. **Proof of delivery to a reserve must be retained.**

E. 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 pursuant to 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, Information on the Taxation of Used Goods](#).

F. 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.

G. 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:

- 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 www.sets.saskatchewan.ca/taxinfo.

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Government website: Saskatchewan.ca

APPENDIX

TAXABLE AND EXEMPT FOOD AND BEVERAGES

TAX EXEMPT FOOD AND BEVERAGES

Basic groceries

- Baby food, including beverages and baby formula mixtures
- Baking supplies including chocolate chips, baker's chocolate and other ingredients that are mixed in with or used in the preparation of food and beverages for human consumption, including edible cake decorations
- Bottled water, 600 ml and larger, or any size packaged in multiples by the manufacturer
- Bread and bread products such as bagels, soft pretzels, pita bread, naan bread, focaccia, croissants, scones, tea biscuits or rolls without sweetened filling or coating
- Breakfast cereal
- Cereal bars and muffin bars in boxes containing six or more bars, but not including boxes/cartons of cereal or muffin bars intended for individual sale
- Coffee, tea, cocoa and substitutes but not when prepared for consumption
- Cold cooked foods sold from unheated or refrigerated shelves at an eating establishment or grocery store to be re-heated by the purchaser
- Condiments such as mustard, ketchup, BBQ sauce, chip dip and salsa
- Cooking oil or spray, cooking wines and food preserved in alcohol normally sold in a grocery store
- Crackers (other than graham crackers), croutons, unsweetened rice cakes
- Dough and pastry such as pie shells, puff pastry and cookie dough
- Eggs and egg products
- Fish and fish products, but not arrangements such as shrimp rings, or items heated for consumption
- Food, such as pizza, that is fully prepared but sold uncooked
- Frozen sandwiches, hamburgers and similar products
- Frozen fruit juices that in concentrated form contain 25 per cent or more natural fruit juice, even if the beverage contains less than 25 per cent natural fruit juice in its reconstituted form
- Fruits and vegetables, including fresh, frozen, canned and vacuum sealed and including mix varieties
- Herbs and spices for use as food seasoning
- Ice made from water suitable for human consumption, sold as ice cubes or in blocks
- Ice cream, ice milk, frozen yoghurt, sherbet, ice cream cake, frozen pudding and non-dairy substitutes, except single serving size less than 500 ml or 500 grams (these items sold in multiples of single servings are taxable)
- Iced tea mixtures including fruit-flavoured iced tea mixtures
- Jams, jellies and peanut butter
- Lunch combinations such as cheese and crackers packaged and promoted as pre-packaged lunch kits for children

- Meal replacement bars and meal replacement beverages but not dietary supplements
- Meat and meat products, such as jerky and pepperoni sticks, but not arrangements such as cold-cut platters, or items heated for consumption
- Milk and milk-based products (except chocolate and other flavoured milk sold in a single serving)
- Non-carbonated fruit juice beverages that contain 25 per cent or more natural fruit juice by volume, when sold in quantities greater than a single serving or in multiples packaged by the manufacturer
- Salad dressing
- Salad kits that are vacuum sealed, consisting of ingredients such as chopped vegetables, bacon bits, croutons, seasoning and /or salad dressing packaged in a separate compartment or container but not prepared salads where the dressing and other ingredients are mixed together.
- Salads – Vegetable, fruit or gelatin salads packaged in cans, or in containers that are vacuum sealed
- Salt for human consumption, but not when packaged for industrial use
- Sugar, sweetening agents, artificial sweeteners
- Sweetened baked goods, except single servings less than 230 grams unless packaged in quantities of six items or more
- Syrups, crystals, powders and flavouring to make beverages, but not to make fruit flavoured beverages that contain less than 25 per cent natural fruit juice by volume
- Unbottled water when dispensed in quantities greater than a single serving from a vending machine or at the premises of the seller, or provided by a municipality or by a private water hauler
- Unpopped popcorn kernels including microwave popcorn
- Yoghurt except fruit-flavoured yoghurt beverages containing less than 25 per cent natural fruit juice by volume

TAXABLE FOOD AND BEVERAGES

Beverages

- Carbonated beverages, including carbonated water
- De-alcoholized beer and wine
- Chocolate and other flavoured milk sold in a single serving size, except multiples packaged by the manufacturer
- Fruit-flavoured yoghurt beverages that contain less than 25 per cent natural fruit juice by volume and are not milk-based
- Fruit juice beverages, combination fruit and vegetable beverages and fruit-flavoured beverages that contain less than 25 per cent natural or reconstituted fruit juice by volume
- Powdered fruit-flavoured beverage mixes which require mixing with water but not iced tea mixes which are exempt from tax

Note: Saskatchewan Provincial Sales Tax does not apply to wine, beer, spirits or other alcoholic beverages, the Liquor Consumption Tax applies. Please see Information Bulletin, [LCT-1, The Liquor Consumption Tax](#).

Dietary Supplements

- Dietary supplements in pill, capsule, tablet or other similar form, made from synthetic or natural ingredients. This includes vitamins, fish oils, minerals, fibre products, tonics and herbs and spices sold in pill, tablet and capsule form.
- Dietary supplements sold in liquid or powder form unless they are marketed as meal replacements
- Weight gain/loss products sold in pill, capsule or tablet form

Prepared Food and Beverages

- Food and beverages sold in a heated state for consumption
- Food and beverages sold under a contract for, or in conjunction with, catering services (including any applicable catering charges)
- Platters or arrangements of food such as desserts, cheese, cold-cuts, fruits and vegetables

Salads

- Vegetable, fruit or gelatin salads sold in prepared form but not including salads in cans or in containers that are vacuum sealed

Sandwiches

- Ready to eat fresh, refrigerated or heated sandwiches, submarines, pita bread, tortillas
- Ready to eat hot dogs and hamburgers

Snack Foods

- Candy, chewing gum, marshmallows
- Cereal bars or muffin bars when sold individually and when sold in boxes containing less than six bars
- Chips, crisps, puffs, curls or sticks, such as potato chips, corn chips, cheese puffs, potato sticks, bacon crisps and cheese curls, and other similar snack foods or popped popcorn and brittle pretzels but not including any product sold primarily as a breakfast cereal
- Chocolates and chocolate bars
- Fruit bars, rolls or drops or similar fruit-based snack foods
- Granola products such as granola bars, but not including any product that is sold primarily as a breakfast cereal
- Ice cream, ice milk, frozen yoghurt, sherbet, ice cream cake, frozen pudding and non-dairy substitutes, when packaged or sold in single servings of less than 500 ml or 500 grams, these items sold in multiples of single servings are also taxable
- Ice lollies, juice bars, juice sticks, flavoured, coloured or sweetened ice waters or similar products, whether frozen or not
- Mixed nuts whether salted or not, unless the mixture is in its natural unprocessed state
- Nuts, popcorn, raisins and other items when coated or treated with candy, chocolate, molasses, sugar or syrup
- Nut bars
- Protein bars and energy bars unless they are marketed as meal replacement bars

- Pudding including flavoured gelatine, mousse, flavoured whipped dessert product or any similar product sold in a single serving size, except multiples packaged by the manufacturer
- Salted nuts, salted seeds, and mixtures including when coated or seasoned and have salt as an ingredient
- Snack mixtures that contain cereals, nuts, seeds, dried fruit or any other product, but not including any mixture sold as a breakfast cereal