

Information Bulletin

PST-56

Issued: March 2000

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THE PROVINCIAL SALES TAX ACT

AIRCRAFT

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 (I) in the left margin.

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

- A. Exempt Aircraft, Repair Parts and Labour
- B. Taxable Aircraft, Repair Parts and Labour
- C. Rented/Leased Aircraft
- D. Trade-in Allowances
- E. Saskatchewan eTax Services (SETS)

A. EXEMPT AIRCRAFT, REPAIR PARTS AND LABOUR

The following aircraft are exempt from PST:

- New and used personal and business use aircraft that **are registered under the *Aeronautics Act (Canada)* for commercial purposes to transport passengers or freight for a fee.** (This applies to resident and non-resident aircraft).
- Specialized aircraft equipped with geophysical survey or exploration equipment used exclusively for mining exploration or geophysical surveys in Saskatchewan.
- Aircraft that are specially designed and licenced for farm spraying only.

The purchase of repair parts, lubricants, installation and repair labour are exempt for the aircraft noted above.

Please refer to Information Bulletin [PST-16, Farm Implement and Farm Supply Dealers](#) for the exemption criteria related to aircraft that are specially designed and licenced for farm spraying only.

B. TAXABLE AIRCRAFT, REPAIR PARTS AND LABOUR

New and used personal and business use aircraft that **are not registered under the *Aeronautics Act (Canada)* for commercial purposes to transport passengers or freight for a fee are subject to PST.** (This applies to resident and non-resident aircraft).

New and used repair parts, lubricants, installation and repair labour for these aircraft are also subject to tax. A deduction of \$300 per item is allowed in calculating tax on used parts for personal use aircraft. On sales of used parts with a trade-in (or core charge) the greater of \$300 or the trade-in may be deducted. If the parts are purchased for a business use aircraft, the \$300 deduction does not apply.

In-house repair and installation labour provided by employees are exempt from tax.

Note: De-icing chemicals are **taxable**.

When individuals purchase used taxable aircraft for personal use, tax applies to the selling price less a deduction of \$300. If a trade-in is involved, the purchaser is entitled to the \$300 deduction or the value of the trade-in, whichever is greater (see Section D - Trade-in Allowances). If the aircraft is purchased for business use, the \$300 deduction does not apply.

C. RENTED/LEASED AIRCRAFT

The rental or lease of aircraft that **are not registered under the *Aeronautics Act (Canada)* for commercial purposes to transport passengers or freight for a fee are subject to tax** on the total rental or lease charge.

Note: Aircraft rented or leased **with a pilot** is not considered a rental.

D. TRADE-IN ALLOWANCES

When an item is received on trade, tax applies on the difference between the selling price of the goods and the value of the goods accepted in trade by the seller, provided the following conditions are met:

- The tax was previously paid in full on the trade-in.
- The trade-in is owned by the person that is acquiring the new goods.

E. 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