

Information Bulletin

PST-68

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THE PROVINCIAL SALES TAX ACT

AUCTIONEERS

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.

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A. PERSONAL USED GOODS

When used goods on which the tax was previously paid are purchased by an individual for personal use (other than vehicles), PST applies to the selling price of the goods less a deduction of \$300 per item as discussed below. For further information please see Information Bulletin, [PST-58, Used Goods](#).

This deduction applies whether the goods are purchased privately or from a business. The same deduction applies to used goods purchased by a farmer or farming corporation, when those items do not otherwise qualify for the full exemption of tax as noted in [Section B](#).

Note: The \$300 exemption does not apply to vehicles, including recreational vehicles such as snowmobiles, all terrain vehicles (ATV's), boats, campers, etc.

Taxable used goods are typically auctioned and sold as "lots", where the lot can be a single item or a group of items that are bid on as one unit. In some cases, lots with identical or similar items are auctioned and sold at a single price for each item where the winning bidder or purchaser may take one or more of the items in the lot.

Where the purchaser's invoice shows a single price for all of the items (i.e. the taxable goods are valued as a group), the \$300 deduction applies once to the entire group of items. (See Example 1).

Where the purchaser's invoice shows a value and quantity for each item purchased, the \$300 deduction applies to each item. (See Examples 2 & 3).

The following examples provide guidance on how the exemption is to be applied:

- (1) An individual purchases two separate lots or groups of items. Lot 1 is a box of tools and Lot 2 is a dining set containing a table and several chairs. In both cases, the group of items is valued collectively and invoiced at a single price (one amount) for all the items. The invoice should show the \$300 exemption applied once to the total value or price of each lot.

Lot 1: Box of Used tools, (hammers, screwdrivers, saws)	\$ 600
(\$300 deduction for Lot 1)	
Lot 2: Used Dining Set, 5 pieces (Table, 4 chairs)	<u>\$1,200</u>
(\$300 deduction for Lot 2)	
PST @ 6% $((600-300)+(1,200-300)) \times .06$	<u>\$ 72</u>
Total	\$1,872

- (2) A lot containing 4 used motors is sold using choice bidding, whereby the motors are sold at a price per item and the successful bidder can take all four of the motors (in this instance deciding to take all four). Where the invoice values the items separately, showing both the per item price and quantity purchased, the \$300 exemption is applied to the individual sale price of each item.

Lot 1: Used Motors – \$1,125 each, quantity 4	<u>\$4,500</u>
(\$300 deduction per item x 4 items)	
PST @ 6% $((1,125-300) \times 4) \times .06$	<u>\$ 198</u>
Total	\$4,698

- (3) A number of used appliances are sold separately in lots of one item. All four lots are purchased by the same individual. Where the invoice lists each lot, the item and the price, the \$300 exemption is applied separately to each lot based on the value.

Lot 1: Used Fridge	\$ 500
(\$300 deduction)	
Lot 2: Used Stove	\$ 400
(\$300 deduction)	
Lot 3: Used Freezer	<u>\$ 200</u>
(\$300 deduction)	
PST @ 6% $((500-300)+(400-300)+(0)) \times .06$	<u>\$ 18</u>
Total	\$1,118

B. EXEMPTIONS FOR FARMERS

A farmer is entitled to a tax exemption on certain farm implements, farm machinery, farm tools and commodities, including repair parts when acquired for use directly in a primary farming activity. See [Section E](#) of this bulletin for a list of exempt items.

Please refer to Section A of [PST-16, Farm Implements and Farm Supplies](#) for details on what a primary farming activity means and exemptions for non-farmers engaged in a primary farming activity.

Exempt farm items fall into the following categories:

- Those that are readily identifiable and are exempt from tax as goods used exclusively in a farming operation. A *Farm Exemption Certificate* or equivalent is not required.
- Those that may be taxable when used in operations other than farming but which a farmer must certify as being used solely in the operation of his or her farm upon:

- (i) Completion of a *Farm Exemption Certificate*;
- (ii) Completion of the contract form issued pursuant to *The Agricultural Implements Act*; or;
- (iii) Print, type, write or apply by rubber stamp on the sales invoice, or other document supporting the sale, the following information:

Land Description Sec _____ Twsp _____ R _____ M _____.

I hereby certify the goods listed on this invoice will be used solely in the operation of my farm.

Date

Signature of Farmer

Completed *Farm Exemption Certificates* should be retained by the auctioneer for a minimum of three years and should not be forwarded to the Revenue Division.

C. VEHICLE SALES

All classes of new and used vehicles are subject to PST. The tax must be collected on the total selling price after deducting cash discounts and trade-in allowances. The customer's invoice must separate the selling price of the vehicle, the trade-in amount, and the amount of PST collected. The \$5,000 exemption on private transactions does not apply to vehicles sold by auctioneers. For further information please see [PST-18, Commercial Vehicle Sales and Leases](#).

The above also applies to trailers and recreational vehicles including boats (motors and trailers), ATVs, snowmobiles, and campers. For further information, [PST-48, Recreational Vehicle Dealers](#).

Vehicles may be sold tax free to non-residents or Status Indians or Indian bands as outlined further in [Section D](#) and upon completion of an [Exempt Motor Vehicle Sales Certificate](#).

Note: In lieu of completing the *Exempt Motor Vehicle Sales Certificate*, the auctioneer may print, type, write or apply by rubber stamp on the sales invoice supporting the sale, the following certification.

Sale to Non-Resident

I certify that the above described vehicle was purchased by me on the ___ day of _____ 20____. This vehicle will be removed from Saskatchewan within 30 days of the date of sale. I have provided copies of my out of province vehicle registration or permit and driver's license to the auctioneer.

Date

Purchaser's Signature

Sale to Status Indian and Indian Band Exempt Motor Vehicle Sales Certificate

I acknowledge that the above described vehicle was purchased/leased by _____, on the ___ day of _____ 20____. The transaction was finalized and delivery was taken on reserve number _____, location _____, and is for my own use or for approved band management activities. I have provided a copy of my *Certificate of Indian Status* card or band number to the dealer.

Date

Purchaser or Authorized Representative

Note: Proof of delivery to the reserve must be retained. When a Status Indian or Indian band purchases or leases a vehicle and takes delivery of the vehicle off reserve or finalizes the transaction off the reserve, tax is applicable.

D. EXEMPT SALES

Sales of taxable goods and services to the following are exempt from tax:

- Federal government departments and agencies (**Note:** Federal government crown corporations and provincial government ministries, agencies and crown corporations are not exempt from paying PST).
- Other vendors for resale providing their vendor's licence number is recorded.
- Residents or non-residents providing the goods and services are shipped or delivered out of the province by the auction company or by common carrier. (**Note:** U.S. residents may apply to the Ministry of Finance for a refund of tax by providing copies of custom importation documents on goods removed from Saskatchewan).
- Status Indians, Indian bands or non-commercial band-empowered entities 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.** Please see Information Bulletin [PST-63, Sales to First Nations Individuals and Organizations](#) for further information.
- See [Section C](#) for additional documentation requirements for exempt vehicle sales to non-residents or Status Indians.

E. PRODUCT LIST/TAX STATUS

	TAX STATUS	
	<u>Individual/Business</u>	<u>Farmer</u>
Agricultural feeds	E	E
Air compressors	T	E
Antifreeze	T	T
Antiques	T	T
Appliances and furniture	T	T
Automotive parts	T	T
Bale handling equipment	T	E
Baler twine and wire	T	E
Barbecues, barbecue charcoal, starter fuel	T	T
Barbed wire	T	E
Batteries	T	T
Brooder equipment and room accessories	T	E
Buildings fixed to land	E	E
Building materials	T	T
Cages (rabbit, mink, fox and chinchilla)	T	E
Cattle shelters	T	E
Cement, cement mixers	T	T
Chain saws	T	T
Chemicals (herbicides and fungicides)	E	E
Chemical storage tanks	T	E
Computers	T	T
Cultivators	T	E
Dozer blade	T	E
Electric fencers	T	E
Electric motors	T	E
Fence pickets, including wooden posts, pickets or stakes that may be treated to prevent deterioration. Corral slabs for farm fencing are also exempt, but not rough cut lumber	T	E
Fence staples	T	E
Fertilizers	E	E
Garden and lawn tractors and attachments	T	E
Garden tools, equipment, furniture	T	T
Grain loss monitors	T	E
Grain equipment, including bin augers, aerators, cleaners, hoppers, vacuums, fans, grain and fertilizer scales	T	E
Grinders and mixers, hammermills, crushers, rollers	T	E
Hay feeders and dryers	T	E
Harrow and draw bars	T	E
High pressure washers	T	T
Hydraulic fluids and oils	T	T
Implement tires	T	E
Incubators and accessories	T	E

*Exempt with a Farm Exemption Certificate or Equivalent - refer to Section B.

	TAX STATUS	
	<u>Individual/Business</u>	<u>Farmer</u>
Irrigation, spraying and drainage equipment	T	E
Lawn mowers (walk behind)	T	T
Lawn mowers (riding)	T	E
Livestock medicaments, including sprays for warbles and similar diseases	T	E
Livestock scales, clippers, tags, tattooing tools and ink, magnets, branding irons, tying chains, bull nose rings	T	E
Lumber supplies, including rough cut lumber	T	T
Moisture meters - grain and hay	T	E
Motor oil	T	T
Parts books	T	T
Pet food, including vitamins and dietary supplements	T	T
Plumbing supplies	T	T
Post hole diggers and drivers	T	E
Power generators	T	T
Pumps - Calcium chloride pumps	T	E
- Fuel pumps	T	T
- Irrigation/drainage pumps	T	T
- Pumps and meters designed for use with herbicides	T	E
Rebar	T	T
Recreational vehicles (not eligible for \$300 deduction or \$5,000 exemption)	T	T
- ATVs		
- Boats, motors, and trailers		
- Campers (cabin, tent, fifth wheel, and slide-in)		
- Snowmobiles		
Roto-tillers	T	E
Roller chain and links	T	E
Shop manuals	E	E
Snowblowers	T	T
Snow plough attachment for tractors	T	E
Tarps - general purpose and truck	T	T
- bale tarps – if specifically designed to cover bales	T	E
Tires – (implement tires exempt to a farmer)	T	T
Tools (hand and power)	T	T
Trailers – stock, flatbed and cargo (not eligible for \$300 deduction or \$5,000 exemption)	T	T
Transports specifically designed and manufactured for hauling combines, drills swathers or straw and hay bales.	T	E
Truck boxes and hoists	T	T

*Exempt with a Farm Exemption Certificate or Equivalent - refer to Section B.

	TAX STATUS	
	<u>Individual/Business</u>	<u>Farmer</u>
Veterinary instruments, including calf weaners, ear notchers, emasculators, castrators, dehorners and calf pullers	T	E
Water tanks	T	E
Welding machines and welders	T	E
Welding accessories	T	T
Welding rods	T	E
Wildlife (stuffed, mounted)	T	T

**Exempt with a Farm Exemption Certificate or Equivalent - refer to Section B.*

Tax does not apply to real estate commissions on land and buildings sold by auction.

Note: Buyer's premiums/commissions paid in relation to taxable items are subject to PST as they form part of the total consideration paid to acquire the goods. Seller's fees are exempt from PST.

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. 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.

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 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.

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](#)

I. **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.

To receive automatic email notifications when this or any other bulletin is revised, go to sets.saskatchewan.ca/subscribe.

To provide feedback or suggest changes to this bulletin, please complete a [Bulletin Survey](#).

Government website: Saskatchewan.ca