

ELECTRONIC DISTRIBUTION PLATFORMS, ONLINE ACCOMMODATION PLATFORMS AND MARKETPLACE FACILITATORS

Changes to this Information Notice are indicated by a bar (|) in the left margin.

Operators of electronic distribution platforms and online accommodation platforms, as well as online marketplace facilitators must be licensed for purposes of collecting and remitting Saskatchewan PST.

ELECTRONIC DISTRIBUTION PLATFORMS

- **Electronic Distribution Platform** means a website, internet portal, gateway, application, or other means prescribed in the regulations that allow a consumer or user to purchase at a retail sale, whether singly, by subscription or in any other manner, including maintenance, updates and support, tangible personal property or services that are delivered through an electronic format.
- Electronic distribution services that are delivered, streamed, or accessed through an electronic distribution platform are subject to PST. This includes:
 - o The content delivered through the electronic distribution platform; and,
 - o Any associated or incidental services, including all transactions services, processing services and administration services (e.g., currency conversion fee, annual account maintenance fee etc.).

PST exempt goods or services, such as exempt books, tuition or course fees, or personal counselling services, do not become taxable when they are offered through an electronic distribution platform or an online marketplace.

Note: For e-books to be considered a digital or similar equivalent and exempt from PST, the content must be in a readable format. **Effective April 1, 2022**, audio books are also exempt from PST. The exemption does not apply to software or devices used to view or listen to exempt reading materials, or to taxable audio content such as music and podcasts.

ONLINE ACCOMMODATION PLATFORMS

- **Online Accommodation Platform** means an electronic marketplace that enables or facilitates transactions in relation to accommodation services located in Saskatchewan.
- PST applies to charges for accommodation services that are delivered or accessed through an online accommodation platform.

Note: Online platforms providing classified advertising or listing services, that do not collect payment on behalf of the individual or business offering accommodation services through their platforms, are not considered to be online accommodation platforms for PST purposes.

For details regarding the application of PST to accommodation services, please refer to Information Bulletin [PST-47, Accommodation Services](#).

Fees Between Online Accommodation Platforms and Accommodation Service Providers

Fees charged to accommodation service providers by the operator of a registered online accommodation platform in relation to taxable goods or services are subject to PST.

For example, charges that cover taxable services, such as website design, update or maintenance, support services, marketing services or materials, or taxable insurance products, are subject to PST. However, charges in relation to sales commission and transaction processing fees are not subject to PST.

MARKETPLACE FACILITATORS

- **Marketplace Facilitator** means a person, as defined in *The Provincial Sales Tax Regulations*:
 - o that makes or facilitates a marketplace for retail sales by marketplace sellers; and,
 - o that, directly or indirectly, collects payment from a consumer or user and remits payment to a marketplace seller; whether or not that person receives consideration in exchange for its services.
- **Marketplace Seller** means a person that makes retail sales through any physical or electronic marketplace operated, owned, or controlled by a marketplace facilitator.

Fees Between Marketplace Facilitators and Sellers

The application of PST to fees charged by a marketplace facilitator to a marketplace seller depends on the seller's location and the services received by the seller for such fees.

For example, charges in relation to sales commissions and transaction processing fees are not taxable. However, fees charged to give access to a computer program or application, or to search or use electronically stored information are subject to PST when the corresponding taxable service is being consumed in Saskatchewan or in relation to Saskatchewan locations.

FEES CHARGED TO CONSUMERS

Associated or incidental services, such as transaction services, processing services and administration services, associated with taxable goods or services purchased through a marketplace facilitator and delivered into Saskatchewan from outside the province, form part of the total charge to the consumer and are subject to PST.

A lump sum charge to customers that covers out of province delivery or other taxable goods or services, with no segregation provided between taxable and exempt items, is taxable on the total charge.

RESPONSIBILITY FOR COLLECTING AND REMITTING PST

An accommodation service provider or marketplace seller, who makes retail sales **exclusively** by way of an online accommodation platform or a marketplace facilitator, is not required to be licensed as a vendor to collect and remit Saskatchewan PST, when the operator of the online accommodation platform or the marketplace facilitator is licensed and collecting the tax.

The accommodation platform operator or marketplace facilitator is responsible for the proper collection of PST, including determining the applicable rate and tax status of goods and services for sale, and is required to collect and remit PST on **all** taxable sales made through their platforms, regardless of whether the accommodation service provider or marketplace seller is licensed as a vendor.

The accommodation service provider or marketplace seller is responsible for collecting and remitting PST on sales made through all other channels, including sales made through unregistered online accommodation platforms and unregistered marketplace facilitators.

To be relieved of liability regarding the collection of PST on sales conducted through a registered online accommodation platform or marketplace, accommodation service providers and marketplace sellers **must** ensure that:

- the online accommodation platform operator or marketplace facilitator holds a valid PST licence (the online registry/PST Lookup, can be accessed through sets.saskatchewan.ca); and,
- the online accommodation platform operator or marketplace facilitator is collecting Saskatchewan PST on sales of taxable goods or services made through their platform to consumers in Saskatchewan.

Note: In situations where an accommodation service provider or marketplace seller has consumption tax obligations in relation to Saskatchewan, the accommodation service provider or marketplace seller is required to be registered to report and remit the applicable tax to the Ministry of Finance. For further information, please review Information Bulletin [PST-5, Registration and Reporting Requirements](#).

FOR FURTHER INFORMATION

<u>Write:</u>	Ministry of Finance Revenue Division PO Box 200 REGINA SK S4P 2Z6	<u>Telephone:</u>	Toll Free 1-800-667-6102 Regina 306-787-6645
		<u>Email:</u>	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.

Government website: Saskatchewan.ca