

BUDGET 2023-24 PROVINCIAL SALES TAX UPDATES

The following Provincial Sales Tax (PST) changes are introduced as a result of Budget 2023-24:

1) **Effective retroactively to April 1, 2017**, the PST exemption for drilling rigs, as outlined in Information Bulletin [PST-13, Petroleum Drilling & Well Servicing Contractors](#), includes the following additional qualifying activity for calculating substantial use:

- Geothermal drilling for the purpose of exploring for or generating a supply of electrical energy or steam to be used for commercial resale purposes only. Geothermal drilling for other commercial purposes or for residential purposes is not a qualifying activity.

Please see Information Notice [IN 2020-05, Drilling Rigs, Service Rigs and Related Equipment](#) for additional information regarding qualifying activities, calculating substantial use, and applying for a refund of tax paid on eligible equipment.

2) **Effective April 1, 2023**, hydraulic pipe tables are included in the list of equipment eligible for PST exemption, providing the conditions are met as outlined in Information Bulletin [PST-13, Petroleum Drilling & Well Servicing Contractors](#).

3) **Effective retroactively to April 1, 2019**, the following items for specified farm use are exempt from PST:

- Boats equipped with attachments specifically designed for the purpose of harvesting wild rice with the completion of a Farm Exemption Certificate or equivalent, providing the applicant holds a valid wild rice licence or permit issued pursuant to *The Crown Resource Land Regulations, 2019*;
- Produce storage containers used for the on-farm storage of fruit and vegetables grown on the farm for commercial sale with the completion of a Farm Exemption Certificate or equivalent; and,
- Produce storage buildings, on a refund only basis, when designed, equipped and used for the on-farm storage of harvested fruit and vegetables grown on the farm for commercial sale. Only the portion of the building used for produce storage qualifies, and certain costs are excluded.

Please see Information Bulletin [PST-16, Farm Equipment and Supplies](#) for detailed information regarding eligibility criteria for these exemptions and instructions on applying for a refund.

4) **Effective April 1, 2023**, labour and materials in relation to the installation of exempt medical equipment into real property is exempt from PST.

If the purchaser is eligible for a PST exemption on the medical equipment, they are also eligible for an exemption on the real property installation materials and labour. If tax applies to the equipment, tax also applies to any related repairs, repair parts, and installation labour and materials.

Please see Information Bulletin [PST-42, Medical Equipment and Supplies](#) for additional information and listings of taxable and exempt medical equipment and supplies.

FOR FURTHER INFORMATION

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

Government website: Saskatchewan.ca