

# Information Bulletin

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PST-36

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## THE PROVINCIAL SALES TAX ACT

### PERSONAL SERVICES

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. [List of Services](#)
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#### A. LIST OF SERVICES

Personal services, including the following are not subject to PST (not an all-inclusive list):

- Body piercing
- Personal counselling
- Facial treatment
- Fitness and life-style training
- Hair cutting, trimming or styling
- Hair treatment
- Healthcare and personal care services
- Laser hair removal
- Makeup, eyelash, and eyebrow services
- Manicure and pedicure services
- Massage
- Tanning services
- Tattooing or tattoo removal services
- Waxing services

## **B. APPLICATION OF PROVINCIAL SALES TAX**

### **Personal Services Provided**

Charges for personal services are not subject to tax. See Section A for examples of non-taxable personal services.

### **Retail Sales**

The PST must be collected on the retail selling price of goods, such as personal care products, jewelry, cosmetics, clothing items, etc.

## **C. YOUR PROVINCIAL SALES TAX ACCOUNT NUMBER**

At the time of registration, our office will determine the primary purpose of your business based on information provided on your application form. The appropriate account type will be issued as follows:

- A Registered Consumer Permit number is issued to businesses that purchase goods for use in providing non-taxable services and make a minimal amount of retail sales. This number cannot be used to purchase goods tax exempt.
- A Vendor's Licence number is issued to personal service providers that have a significant amount of retail sales. Licenced vendors are able to purchase resale goods exempt of the PST, by quoting their licence number to their supplier. The supplier is required to record this number on the sales invoice or in their records for audit verification purposes.

**Note:** Most personal service providers are issued a Registered Consumer Permit number.

## **D. APPLYING AND REMITTING THE TAX**

See the following detailed explanation for the application of PST, based on the type of account number the business holds.

### **Businesses with a Registered Consumer Permit**

- Businesses are required to pay PST directly to their suppliers on **all** goods purchased.
- If the supplier does not collect the PST, the business is required to self-assess the tax on laid-down cost of the goods.
- PST must be collected on the total selling price of retail goods. As you have paid PST on the purchase cost of retail items sold, you are required to remit only the net PST collected. You must deduct the tax that was paid to the supplier from the tax that was collected from the customer and report the difference under Net Tax Collected on the PST return.
- You may use either the mark-up on purchase cost, or a mark-down from the total retail sales, to assist with the calculation of the tax to be remitted on retail sales. See the following examples of these calculations.

**Examples:**

(Using a 30% mark-up on retail items)

**Calculate tax collected based on the purchase amount (mark-up 30%):**

Purchases x 1.30 = Sales

Sales x 6% = Tax Collected

Tax Collected on Sales – Tax Paid on Purchases = Tax Payable

**OR**

**Calculate tax paid on purchases based on the sales amount (mark-down 30%):**

Sales ÷ 1.30 = Purchases

Purchases x 6% = Tax Paid on Purchases

Tax Collected on Sales - Tax Paid on Purchases = Tax Payable

**Businesses with a Vendor's Licence**

- Businesses are required to pay PST directly to their suppliers on goods purchased for use in providing their services.
- Vendors are able to purchase goods for resale exempt of the PST by quoting their Vendor's Licence number to their suppliers.
- If the business purchases goods which will be used to provide services exempt of PST, the business is required to self-assess the PST on the laid-down cost of these goods and submit the tax under Consumption Tax on the PST return. This includes goods that are taken out of exempt retail inventory for personal or business use.
- Businesses are required to collect PST on the total selling price of retail goods. The total amount of PST collected from customers must be reported under Net Tax Collected on the PST return.

**E. 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.

**F. SALES OF USED BUSINESS ASSETS**

Businesses are required to collect tax on the sale of used assets, such as vehicles and equipment. When used assets are being sold as part of 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 reference please see Information Bulletin [PST-58, Used Goods](#).

#### **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 [sets.saskatchewan.ca](http://sets.saskatchewan.ca) 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](#)

#### **H. 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](http://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](mailto:sasktaxinfo@gov.sk.ca)

Internet: Tax bulletins, forms and information are available at  
[saskatchewan.ca/business-taxes](http://saskatchewan.ca/business-taxes).

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