



The
BUSINESS
Toolkit

PST / GST Compared

If you own and operate a business in British Columbia, these are the important differences between GST and PST that you should know. The PST is effective April 1, 2013.

	PST	GST
Registration Requirements	<ul style="list-style-type: none"> <input type="checkbox"/> Registration is required if you make any sales of taxable goods and services 	<ul style="list-style-type: none"> <input type="checkbox"/> Optional for businesses with annual taxable sales of goods and services that are less than \$30,000
Remittances	<ul style="list-style-type: none"> <input type="checkbox"/> PST is collected on the sale of taxable goods and services <input type="checkbox"/> There is no recovery of the PST paid out. It is an expense <input type="checkbox"/> All the PST collected is remitted minus a small commission 	<ul style="list-style-type: none"> <input type="checkbox"/> GST is collected on eligible goods and services <input type="checkbox"/> GST paid out is recovered by claiming input tax credits (ITCs) <input type="checkbox"/> The difference is remitted
Self-assessments	<ul style="list-style-type: none"> <input type="checkbox"/> PST must be self-assessed and remitted on all capital outlays and taxable goods where PST has not been paid <input type="checkbox"/> This includes situations where the PST has not been charged in error, or where capital outlays and taxable goods have been brought, sent or delivered into BC for use in BC 	<ul style="list-style-type: none"> <input type="checkbox"/> Not applicable
Purchases of goods for resale (Inventory)	<ul style="list-style-type: none"> <input type="checkbox"/> PST is not paid on the purchase of goods for resale <input type="checkbox"/> If PST is charged in error, you must apply for a PST refund and supporting documentation must be submitted 	<ul style="list-style-type: none"> <input type="checkbox"/> GST is paid on purchases of goods for resale <input type="checkbox"/> GST paid is recovered by claiming ITCs
When to Charge Tax	<p>If you do any of the following, charge PST</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sell taxable goods: most merchandise, alcohol, building materials, vehicles and parts, <input type="checkbox"/> Provide related services: repair vehicles, TVs, watches, office equipment, computers, furniture, etc, or apply protective treatments to taxable goods, set up, install or dismantle taxable goods <input type="checkbox"/> Provide software <input type="checkbox"/> Provide (short-term) accommodation of four or more units <input type="checkbox"/> Provide other services: legal, telecommunications, and liquidators <input type="checkbox"/> Lease taxable goods: tools, equipment, office furniture, artwork, vehicles, etc 	<p>Taxable, Zero-rated and Exempt supplies</p> <ul style="list-style-type: none"> <input type="checkbox"/> Taxable goods: taxed at 5%, GST paid on expenses can be recovered <input type="checkbox"/> Most consumable goods and services including fast foods, clothing, footwear, gasoline, and auto sales, leases and repairs <input type="checkbox"/> Zero-rated goods; taxed at 0%, GST paid on expenses can be recovered <input type="checkbox"/> Basic groceries, exports, most medical devices, prescription drugs and dispensing fees <input type="checkbox"/> Exempt goods, GST paid on expenses cannot be recovered <input type="checkbox"/> Most medical and dental services, most financial institution services, insurance, many educational services, long-term residential accommodations

This information is current to March 2020. It is of a general nature and is not intended to address the specific circumstances of a particular individual. You should not act on this information without appropriate professional advice after thorough examination of a particular situation. E&OE