

Information Bulletin

PST-24

Issued: March 2000

Revised: July 2024

THE PROVINCIAL SALES TAX ACT

REALTORS

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 () in the left margin.

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A. REAL ESTATE FEES

Fees or commissions paid to a person registered to trade in real estate under *The Real Estate Act* are taxable for all land and building properties located in Saskatchewan, including residential, commercial, recreational and farm properties.

Tax does not apply to fees or commissions on new home sales. New homes include single family dwellings and condominiums.

A sale is not final until all the conditions surrounding the sale are satisfied. Both the buyer and seller usually acquire the services of a lawyer where the necessary funds and documents are placed into escrow. The lawyers will close the sale, usually on the date that possession of the real estate is transferred, by releasing the necessary funds and documents from escrow. The PST is due on the real estate fees on the date that funds are released from escrow.

Tax does not apply to a deposit forfeited to a real estate agent or broker when a sale or lease of property is not completed. There must be a completed real estate transaction for PST to apply.

Fees for real estate appraisals or property inspections are not taxable.

B. RESPONSIBILITY FOR REPORTING THE TAX

The listing broker is responsible for collecting and remitting the PST. The tax must be calculated on the total amount of realtor fees and commissions prior to division of the fees between agents or brokers.

In the case of a private sale or lease where the seller does not hire a realtor, the purchaser's broker typically makes a short-term agreement with the seller and becomes the listing broker for the purpose of the transaction. Any real estate fees charged in relation to the sale are subject to PST.

C. EXEMPT SALES AND EXCEPTIONS

PST exemptions in relation to real estate fees and commissions depend on the seller's tax status. If the seller is exempt from paying PST, then the real estate fees and commissions are exempt from tax. This includes both the fees for the selling broker and the listing broker.

- Fees and commissions for the sale or lease of real estate are exempt from PST when the federal government is the seller. The exemption does not apply when the federal government is the buyer of the real estate.
- Fees and commissions for the sale or lease of real estate located on an Indian Reserve are exempt from PST when the seller is a Status Indian, Indian band or non-commercial band-empowered entity. To qualify for the exemption, an individual must present their *Certificate of Indian Status* card to the service provider, and the complete 10-digit card number must be recorded 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 the purchase is for non-commercial band-management activities. **The service provider must retain documentation to support the exemption.** Please see Information Bulletin [PST-63, Sales to First Nations Individuals and Organizations](#) for further information.

The following sales are exceptions, and are not eligible for an exemption:

- Fees and commissions for the sale or lease of real estate located on an Indian Reserve when the seller is an Indian corporation.
- Fees and commissions for the sale or lease of real estate that is not located on an Indian Reserve, including when the seller is a Status Indian.
- Fees and commissions for the sale or lease of real estate to licensed vendors and/or land speculators for the purpose of quick turnover.

D. GOODS AND SERVICES FOR YOUR OWN USE

Businesses are required to pay tax on the cost 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 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.

E. 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 information, please see Information Bulletin [PST-58, Used Goods](#).

F. 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](#)

G. 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:

- 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