

PST-62 Issued: June 2000

Revised: April 10, 2018

THE PROVINCIAL SALES TAX ACT

Was this bulletin useful?

Click here to complete our short
READER SURVEY

INFORMATION FOR BUSINESSES PROVIDING ACCOUNTING 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. Taxable Accounting Services
- B. Exempt Services
- C. Exempt Disbursements Charged to the Customer
- D. Accounting Services Relating to Saskatchewan
- E. Accounting Services Relating to More than One Jurisdiction
- F. Sales of Used Business Assets
- G. Tax Credit for Bad Debts
- H. Goods and Services for your Own Use
- I. Small Traders Exemption (Home Based Businesses)
- J. Saskatchewan Electronic Tax Service (SETS)

A. TAXABLE ACCOUNTING SERVICES

Accounting services provided to resident or non-resident clients by a resident or non-resident accountant are subject to tax if the services relate to Saskatchewan. (Please refer to section D for definition of services relating to Saskatchewan.)

Taxable accounting services include:

- Preparation of balance sheets, profit and loss statements, and similar services, including bookkeeping, payroll preparation, billing, cost accounting and budget preparation;
- Preparation of tax returns and tax documents or forms, account reconciliation and tax rebates;
- Services that are in the nature of the investigation or audit of accounting records; and,
- Advice or consulting directly related to the delivery of a taxable accounting service. For example, time spent on consultation in the preparation of a financial statement or tax return is considered to be a component of the service.

Retainers are generally considered to be amounts held in trust and do not become subject to tax until a bill for accounting services is provided to the client.

Charges or fees for research, secretarial services or other overhead costs are considered to form part of the accounting service and are subject to tax even if charged separately on the client's invoice.

B. EXEMPT SERVICES

Exempt services provided by businesses performing accounting services include the following:

- Advice or consulting related to business management, tax planning, estate planning, investments, financial management or similar services;
- Acting as a trustee, executor or administrator of an estate, Commissioner for Oaths, or Notary Public;
- Acting as a trustee for bankruptcy or receivership proceedings;
- Management fees, provided no other taxable accounting services are included;
- Accounting services provided to a Status Indian (service must be provided on the reserve), Indian band or band-empowered entity (service can be provided on or off the reserve but must relate to a non-commercial business activity that is located on a reserve);
- Providing educational seminars, training and coaching services. This would include training clients on the use of computer software or how to perform an accounting function; and,
- Accounting services provided by a person to that person's employer in the course of employment. A person is considered to be an employee when the employer makes regular deductions from wages as required by federal Income Tax regulations.

Note: Where exempt and taxable services are provided to a client, the exempt services must be shown separately or the entire charge is taxable.

C. EXEMPT DISBURSEMENTS CHARGED TO THE CUSTOMER

The following disbursements are exempt from tax when itemized separately from accounting services provided to the client (tax must be paid to the supplier or self-assessed on these charges):

- Facsimile transmission, telephone, and courier services;
- Printing or photocopying of documents;
- Meals, accommodation, travel, and per diem charges; and,
- Third party fees or charges that do not form part of the accounting service that are charged separately on the customer's invoice on a cost-recovery basis.

An accountant who obtains a taxable service on behalf of a client may include that cost as a disbursement if tax is paid or self-assessed at the time of acquiring that service.

D. ACCOUNTING SERVICES RELATING TO SASKATCHEWAN

Accounting services relate to Saskatchewan if that service:

- (a) relates to a physical location, transaction, activity or contemplated transaction or activity in Saskatchewan; and,
- (b) is provided to a person who resides, ordinarily resides or carries on business in Saskatchewan at the time the service is provided.

E. ACCOUNTING SERVICES RELATING TO MORE THAN ONE JURISDICTION

Accounting services provided to a client who is both a resident and a non-resident or who carries on business in Saskatchewan and another jurisdiction are subject to tax only on the portion of the services that relate to Saskatchewan.

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 transfer or 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, Information on the Taxation of Used Goods](#).

G. TAX CREDIT FOR BAD DEBTS

Vendors may claim a credit for the tax portion of their receivables that are written off as uncollectible. The tax credit should be taken as an internal adjustment in the vendor's records. Records of the accounts written off and tax credits claimed must be kept for audit verification by the Revenue Division.

H. GOODS AND SERVICES FOR YOUR OWN USE

Businesses are required to pay tax on purchases of equipment, services, and supplies (including stationery and software) used in their business. If taxable goods or services are purchased from a licensed supplier, the tax must be paid to the supplier. If they are purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and submitted with your return on the laid-down cost, which includes exchange, transportation charges, customs and excise duties, and importation charges, but not GST.

I. SMALL TRADERS EXEMPTION (HOME BASED BUSINESSES)

Individuals selling goods or providing services from their residence to other individuals (non-commercial) are not required to collect tax providing their sales are less than \$10,000 annually. This exemption is not extended to individuals that conduct sales or provide services outside their residence or sell to commercial users.

Tax must be paid to all suppliers on the purchase price of all materials and labour charges. A business that purchases taxable goods or services from a small trader must self-assess and report the tax.

J. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)

The Ministry of Finance has made it possible to report and remit tax electronically through the use of a standard Internet connection. SETS offers a secure, fast, easy and convenient alternative to filing returns in paper format. Several E-File services are currently available through SETS.

Businesses may use SETS to file and pay returns for PST and other provincial taxes.

SETS allows businesses to:

- file and pay returns or make payments on account;
- file a return and post-date the payment to the due date;
- view account balance and statement information;
- authorize your accountant to file on your behalf; and,
- subscribe to an email notification service that allows the option to be notified by email that a tax return should be filed. This replaces the paper forms normally received in the mail.

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

In-Person: Ministry of Finance
Revenue Division
2350 Albert St
REGINA SK S4P 4A6

Fax: 306-787-9644

Internet: Tax bulletins, forms and information are available [here](#).

To receive automatic email notification when this or any other bulletin is revised, click [here](#) and then click the “Subscribe” button.

Government website: <http://www.saskatchewan.ca/>