

GIFT CARDS AND PRE-PAID CARDS

This notice provides clarification on the application of Provincial Sales Tax (PST) to gift cards and other forms of pre-paid cards.

Gift Cards and Gift Certificates

Purchases of gift cards or gift certificates are not subject to PST, as it is an exchange of cash for a credit which can be redeemed from a specific vendor(s). These cards contain a specified monetary value which is decreased when used to purchase goods or services. At the time of redemption, the vendor is required to collect PST on the sale of taxable goods or services, as applicable.

Pre-Paid Credit Cards

Purchases of pre-paid credit cards are treated in the same manner as gift cards and gift certificates. Cash is exchanged for a credit of equal monetary value which can be redeemed for goods or services. Tax does not apply to the purchase of pre-paid credit cards or associated administrative activation fees.

At the time of redemption, the vendor is required to collect PST on the sale of taxable goods or services, as applicable. If the goods or services acquired are subject to PST, any credit card surcharges charged by the vendor are also subject to tax.

Vouchers, Passes, Tickets and Pre-Paid Cards

Vouchers, passes and tickets are one-time purchases which are redeemed for specific goods or services. If a voucher, pass, or ticket relates to a taxable product then PST applies at the time of purchase rather than at the time of redemption.

Although certain pre-paid gaming cards, audio/video cards, or telecommunications cards may have an associated monetary value, these pre-paid cards are more comparable to a voucher, pass, or ticket. Typically, there is no invoice to the customer after the purchase of the card, and they can only be used to acquire specific taxable gaming, audio/video content, or telecommunications services under the terms of the card.

Examples include:

- Gaming subscription and points cards
- Pre-paid phone cards
- Movie ticket vouchers

Note: PST does not apply to pre-paid cards that only provide access to exempt items such as audio-books.

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.

Government website: Saskatchewan.ca