

To Tax or Not to Tax,  
An overview of GST & PST

## GST

### When must you register?

- You do not have to register if:
  - You are a small supplier
  - You provide only exempt supplies

### What makes you a small supplier?

- There are two tests to qualify as a small supplier:
  - \$250,000 gross revenue test
  - \$50,000 taxable supplies test

For full information on these tests and all things relating to Charities and GST follow this link:

- <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4082-gst-hst-information-charities.html>

### PSB Rebates:

- If eligible, a charity can claim 50% on eligible expenses
- BC charities can claim 57%, but only on claim periods between July 1, 2010 and April 1, 2013
- You have up to 4 years from the claim period to apply for the rebate

### Filing a GST return:

- You must use the Net Tax calculation unless:
  - Main purpose is to provide employment for disabled persons, or
  - You regularly supply services provided by disabled persons.
- Net Tax Calculation:
  - 60% of GST collected, less any allowable expenses is the net tax owed before any rebates.

### Election to not use the Net Tax calculation:

- You must submit form **GST488** if you meet the following qualifications:
  - You make supplies outside of Canada
  - You make zero rated supplies
  - 90% or more of your supplies are taxable supplies

For full information on how to file a GST return follow this link:

- <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/gi-066.html>

To Tax or Not to Tax,  
An overview of GST & PST

## PST

### **PST is a retail sales tax that applies when:**

- A taxable good or service is purchased, acquired or brought into BC
- Unless: a specific exemption applies

### ***You must charge PST when you sell new, used, or donated taxable goods even if the funds are used for charitable purposes***

There are exemptions, and **PST bulletin # 304** provides specific information for Thrift Stores, Charitable organizations and Societies.

- Used clothing and footwear sold for under \$100 per item:
- Children size clothing and footwear
- Adult size purchased for children under 15
- Books, newspapers and periodicals (Bulletin #205)
- Remembrance Day poppies and wreaths
- Non-motorized bicycles (Bulletin # 204)

### **Collecting PST**

If your business is registered then:

- You must charge and collect when PST is payable.
- You report and pay less commission on a regular basis.
- Options for monthly, quarterly, or annual basis.

### **Filing PST returns:**

**The following link accesses a blank PST return form for your use:**

<https://www2.gov.bc.ca/assets/gov/taxes/sales-taxes/forms/fin-400-provincial-sales-tax-return.pdf>

### **Commission:**

- If the total collected is \$22 or less, then that is your commission.
- If it is \$22.01 - \$333.33 then the commission is \$22.00
- More than \$333.33, then 6.6% of the total collected to a max of \$198 will be the commission

### **PST refunds**

If you are an eligible charity which contributes eligible funds for the purchase of medical equipment:

- PST Bulletin #402 provides the details on:
  - What equipment is eligible
  - How to calculate the refund, and
  - How to apply for the refund.

### **PST Contact information**

- **Online:** [gov.bc.ca/pst](https://www.gov.bc.ca/pst)
- **Toll free in Canada:** 1 877 388-4440
- **Email:** [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)