



British Columbia provincial sales tax

Rate

The British Columbia provincial sales tax is called PST and amounts to 7% (Goods including cannabis products, carbonated beverages and tobacco, software, legal services, online marketplace services, telecommunications services and related services).

Threshold

Businesses must register to collect PST if they sell or lease taxable goods, or provide software or taxable services in the ordinary course of business in British Columbia (B.C.).

PST registration in British Columbia is required under these conditions:

gross revenue in the previous 12 months from all sales and provisions of software and telecommunication services to B.C. customers is more than 10,000 CAD, or
estimated gross revenue in the next 12 months from all sales and provisions of software and telecommunication services to B.C. customers is more than 10,000 CAD.

Sales of tax-free products and services

Cases when PST in British Columbia doesn't need to be paid on purchases or leases:

Food for human consumption (e.g. basic groceries and prepared food such as restaurant meals).

Books, newspapers and magazines.

Children-sized clothing.

Bicycles.

Prescription medications and household medical aids such as cough syrup and pain medications.

Other PST exemptions are available in certain circumstances and may require documentation. [Tap for more.](#)

Online Marketplaces

An online marketplace service is a taxable service for PST purposes in British Columbia. This means certain persons selling taxable online marketplace services will be required to register to collect and remit provincial sales tax in B.C. An online marketplace service is any of the following services provided by a marketplace facilitator, or by an agent, partner, joint venturer or associated corporation of the marketplace facilitator, to a marketplace seller:

Listing sales of goods, software or taxable services.

Advertising or promoting.

Customer service.

Storage.

Fulfilling orders or bookings.

Collecting or facilitating payments, either directly or indirectly, and transferring payments to the marketplace seller.

Accepting or assisting with cancellations, changes, returns or exchanges of goods, software or taxable services.

Other services to facilitate a marketplace seller's sale of goods, software or taxable services through the online marketplace.

Marketplace facilitators (or their agents, partners, joint venturers or associated corporations) located outside British Columbia, must also register to collect and remit PST on taxable online marketplace services. However, they are not required to register if, in respect of B.C., their gross revenue from all retail sales of goods, software and taxable services (including online marketplace services):

in the preceding 12 months was 10,000 CAD or less, or
for the next 12 months is reasonably estimated to be 10,000 CAD or less.

The marketplace sellers are not required to register to collect and remit PST in British Columbia if they make sales only through a marketplace facilitator who is registered to collect and remit PST. In this case, the marketplace facilitator is responsible for collecting and remitting PST on seller`s taxable sales. However, businesses can be required to register to collect and remit B.C. provincial sales tax if they make taxable sales outside the online marketplace (e.g. through own website or physical business location in British Columbia).

Sales tax payment and filing date

The completed tax return and payment of PST in British Columbia must be received on or before the last day of the month following the end of the [reporting period](#). All businesses must follow their assigned reporting period when report and pay taxes.

The businesses must file PST Returns on a monthly, quarterly, semi-annual or annual basis depending on the amount of tax they report per year as follows:

- monthly – over 12,000 CAD per year.
- monthly or quarterly – from 6,000 CAD to 12,000 CAD.
- quarterly or semi-annual – from 3,000 CAD to 6,000 CAD.
- quarterly, semi-annual or annual – less than 3,000 CAD.

Penalty and interest

10% Penalty – on first assessments if the facts indicate the businesses were aware of the obligation but did not charge, collect, pay or remit the correct amount as required. It will be also generally applied a 10% penalty to all assessments if the business was previously advised of an error (e.g. failing to charge, collect, pay or remit as required) and it makes the same error again.

25% Penalty – if the business wilfully misused PST number to improperly acquire goods for it`s own use exempt from tax.

100% Penalty – if the business is registered to collect PST and it collected tax in British Columbia, but wilfully did not report and remit the tax collected (e.g. knowingly understated the tax collected).

It may also be applied PST penalties in British Columbia in the following situations:

wilfully failed to register for PST.

did not remit PST electronically when required.

The business will be charged a 30.00 CAD administrative fee on all dishonoured payments. This fee is in addition to any fees the financial institution may charge.



