



Provincial Sales Tax (PST) Bulletin

Bulletin PST 321

Issued: September 2016

Revised: January 2024

Businesses from Outside B.C.

Provincial Sales Tax Act

Latest Revision: The revision bar (|) identifies changes to the previous version of this bulletin dated September 2016. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin explains how the PST applies when businesses located outside B.C. do business in B.C.

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PST and Businesses from Outside B.C.

How PST Applies

The B.C. PST is a retail sales tax that applies when taxable goods, software or services are acquired in B.C. or brought or sent into B.C. for use in B.C., unless a specific exemption applies.

As a business located outside B.C., you must pay PST, unless a specific exemption applies, if you:

- Purchase taxable goods, software, or services in B.C.
- Lease taxable goods in B.C.
- Bring or send taxable goods into B.C. or receive them in B.C.

You must also keep records in relation to these goods, software or services (e.g. invoices, bills or receipts).

How to Pay PST

If you purchase goods, software or services in B.C., or lease goods in B.C., the seller or lessor will generally collect the PST due at the time of sale.

If you bring or send goods into B.C. or receive goods in B.C. from out-of-province, you must self-assess (pay directly to us) the PST due as described in the following bulletins.

- If you own the goods and you brought or sent the goods into B.C., or received delivery of the goods in B.C. for **temporary** use in B.C., see [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use.
- If you own the goods and they are **not** for temporary use in B.C., see [Bulletin PST 310](#), Goods Brought Into B.C.
- If you lease the goods, see [Bulletin PST 315](#), Rentals and Leases of Goods.

Registering to Collect PST

If you are located outside B.C., you may be required to register to collect and remit PST if you:

- Sell taxable goods, software, or services in B.C.
- Lease taxable goods in B.C. (including entering into lease agreements in B.C. or delivering goods to a lessee in B.C).
- Are an online marketplace facilitator who does all of the following:
 - contracts with online marketplace sellers,
 - operates an online marketplace platform (e.g. a website or mobile app) to facilitate the purchase and retail sale, provision or lease of goods, software or services (including accommodation) in B.C. between online marketplace sellers and online purchasers, and
 - collects payments for these sales, provisions or leases, from the purchasers.

For more information about registration requirements for businesses located outside B.C., see [Bulletin PST 001](#), Registering to Collect PST.

Businesses from Outside B.C. that May Have to Pay or Collect PST

The following are examples of the kinds of businesses that commonly do business in B.C. and may have to pay PST or register to collect and remit PST or both.

- Bus line and tour operators (see MJV Tax below)
- Drilling and surveying companies
- Fire and safety companies
- Freight, delivery, moving and trucking companies, including food distributors and fuel haulers (see MJV Tax below)
- Oilfield/well service providers
- Online marketplace facilitators (see [Bulletin PST 142](#), Online Marketplace Facilitators and Sellers, and Online Marketplace Services)
- Real property contractors (see Real Property Contractors below)
- Repair service providers (e.g. auto, machinery or equipment repair)
- Software companies (see [Bulletin PST 105](#), Software)
- Telecommunication service providers (e.g. online yoga classes, phone services, television services) see [Bulletin PST 107](#), Telecommunication Services
- Towing service providers
- Vacuum truck service providers

Compliance Activities

The B.C. tax system operates on the principle of voluntary compliance. Each taxpayer is responsible for paying, collecting, and remitting taxes correctly and promptly.

We review information on business activities in B.C. to ensure PST is paid or remitted as required. If we believe you may owe PST (e.g. on goods, equipment or vehicles you have brought into B.C. for use), we may contact you to request information about your business activities in B.C.

Real Property Contractors

You are a contractor if, under a contract, you supply and affix, or install, goods that become part of real property (e.g. land and buildings). A contract means an agreement under which these goods are supplied and affixed or installed.

You must pay PST on taxable goods you purchase in B.C., bring or send into B.C. or receive in B.C. to fulfil a contract, unless a specific exemption applies. You do not charge your customers PST.

For more information, see [Bulletin PST 501](#), Real Property Contractors. For more information on how PST applies to goods you bring or send into B.C. or receive in B.C. to fulfill a contract, see [Bulletin PST 506](#), Real Property Situated Outside B.C. and [Bulletin PST 310](#), Goods Brought into B.C.

Prorate Vehicles and MJV Tax

An **MJV** (multijurisdictional vehicle) is a vehicle that is prorated licensed under the International Registration Plan (an international prorating agreement that allows for the licence fees and taxes that apply in various jurisdictions to be collected at the time MJVs are registered and licensed in their home jurisdiction). For information on which vehicles can be prorated licensed, contact the vehicle licensing authority in your jurisdiction.

Generally, if you use an MJV in B.C., you pay MJV tax instead of PST on your MJV. The jurisdiction that issues the licence for your MJV will calculate and collect the MJV tax and forward it to B.C.

If you obtain a trailer for use solely with your MJV, it is exempt from PST. However, trailers used some of the time with non-MJVs, plus any other equipment hauled by your MJV, are subject to PST, unless a specific exemption applies.

For more information on MJVs and trailers, parts and services for MJVs, see [Bulletin PST 135](#), Multijurisdictional Vehicles.

Note: If your vehicle is not prorated licensed, it is not an MJV and the PST rules that apply to all other vehicles apply (see [Bulletin PST 308](#), PST on Vehicles).

Sales of Accommodation in Industrial Camps

Industrial camps are generally located in remote areas and may provide lodging for workers. PST and the municipal and regional district tax (MRDT) do not apply to sales of accommodation provided at an industrial camp if certain criteria are met.

If you operate an industrial camp in B.C., see our [Accommodation](#) page.

Production Machinery and Equipment (PM&E)

Exemption

Businesses in the manufacturing, logging, mining, and oil and gas industries may be eligible for the PM&E exemption.

If you qualify for the PM&E exemption, certain machinery and equipment you purchase, lease or receive in B.C., or bring or send into B.C., may be exempt from PST. The PM&E exemption includes replacement parts, materials and services for qualifying PM&E, parts and materials to assemble qualifying PM&E, and certain PM&E used by service providers.

To qualify for the PM&E exemption, you must be involved in a qualifying activity and, for most activities, you need to perform the qualifying activity at a qualifying location and meet minimum levels of sales, manufacturing costs (for goods) or development costs (for software).

The following activities qualify for the PM&E exemption and are discussed in the following bulletins.

- Manufacturing – see [Bulletin PST 110](#), Production Machinery and Equipment Exemption
- Logging – see [Bulletin PST 112](#), Logging Industry
- Geophysical surveying – see [Bulletin PST 111](#), Mining Industry and [Bulletin PST 114](#), Oil and Gas Industry – Exploration, Discovery and Development
- Exploration for minerals or development of mines, or extraction or processing of minerals – see [Bulletin PST 111](#), Mining Industry
- Exploration for, discovery of, or development of petroleum or natural gas – see [Bulletin PST 114](#), Oil and Gas Industry – Exploration, Discovery and Development

Note: This exemption is limited to the PM&E listed in the appendix to Bulletin PST 114.

- Extraction or processing of petroleum or natural gas – see [Bulletin PST 113](#), Oil and Gas Industry – Producers and Processors

The following activities and equipment do not qualify for the PM&E exemption (this is not a complete list).

- Repairing your customer's exempt PM&E. For example, you enter B.C. to repair a dehydrator owned by your customer, who qualifies for the PM&E exemption. You do not charge PST on the repairs or the parts, but you must pay PST on the vehicles and equipment you bring into B.C.
- Delivering goods into or within B.C.
- Vehicles designed for public highway use (except truck-mounted service rigs, and bulldozers, backhoes and excavators for use in the exploration for minerals or development of mines), such as transport trucks.

Examples of How PST Applies to Businesses Entering B.C.

Example 1 – Well Service Provider

Milkshake Services Ltd. is an Alberta corporation that provides well servicing throughout Alberta and B.C. Milkshake brings multiple vehicles, truck-mounted service rigs and pieces of equipment into B.C. for use. Milkshake owns all its equipment. Milkshake is not registered for PST in B.C. because it only provides services to real property not subject to PST and services to its customers' exempt PM&E.

Milkshake must pay PST as follows.

- **Vehicles:** All vehicles are subject to PST under the temporary use formula described in [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use.
- **Equipment:** All equipment is subject to PST under the temporary use formula described in [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use, **unless** it specifically qualifies for the PM&E exemption – see [Bulletin PST 114](#), Oil and Gas Industry – Exploration, Discovery and Development and [Bulletin PST 115](#), Oil and Gas Industry – Service Providers.
- **Truck-mounted service rigs:** These are exempt from PST if Milkshake qualifies for the PST exemption for “Exploration for, Discovery of, or Development of Petroleum or Natural Gas” described in [Bulletin PST 114](#), Oil and Gas Industry – Exploration, Discovery and Development.

Example 2 – Tow Truck Operator

Bill Smith is a sole proprietor who provides towing services in B.C. and Alberta. Bill leases his one tow truck and owns some small tools. Bill is not registered for PST in

B.C. because the services he provides (towing, roadside battery boosting and roadside tire changing) are exempt from PST.

When Bill brings his tow truck and tools into B.C. to provide towing services, he must pay PST as follows.

- **Tow truck:** For each rental period that Bill enters B.C. to provide his services, Bill must pay PST on his tow truck based on the amount of hours the tow truck was used in B.C., as described in [Bulletin PST 315](#), Rentals and Leases of Goods.
- **Small tools:** Bill's small tools are subject to PST under the temporary use formula described in [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use.

Example 3 – Real Property Contractor

YNU Developments Inc. (YNU) is an Alberta company that builds new homes. YNU enters into a contract to build a new home in northeastern B.C. To complete the contract, YNU brings three pickup trucks (one owned, two leased), several tools and other equipment into B.C. for use. The trucks, tools and equipment will be in B.C. for four months and will be removed from B.C. when the contract is completed. YNU also brings in some building supplies (e.g. lumber and paint) left over from a previous job.

YNU must pay PST as follows.

- The pickup truck and all tools and equipment owned by YNU are subject to PST under the temporary use formula described in [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use.
- The two leased pickup trucks are subject to PST based on their use during each rental period as described in [Bulletin PST 315](#), Rentals and Leases of Goods.
- The building supplies are subject to PST as described in [Bulletin PST 310](#), Goods Brought into B.C. and [Bulletin PST 506](#), Real Property Situated Outside B.C.

Example 4 – Hardware Store that Delivers Goods into B.C.

RAKS Building Supply (RAKS) is a hardware store located in Alberta close to the B.C. border. RAKS offers delivery services to their customers, including delivering goods into B.C. RAKS owns the vehicles it uses to deliver its goods. The vehicles are not prorate licensed as MJVs.

RAKS must pay PST on the vehicles and any other equipment it brings into B.C. to deliver goods to their customers. PST applies under the temporary use formula as described in [Bulletin PST 307](#), Goods Brought Into B.C. for Temporary Use.

Additionally, RAKS delivers taxable goods to customers in B.C. and must register to collect and remit PST on these sales.

Need more info?

Online: gov.bc.ca/pst

Toll free: 1-877-388-4440

Email: CTBTaxQuestions@gov.bc.ca

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

January 2024

- Added information about when a business located outside B.C. may be required to register to collect and remit PST
 - Added online marketplace facilitators, software companies and telecommunication service providers to the list of businesses that may have to pay PST or register to collect and remit PST or both
 - Other minor revisions
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References: Provincial Sales Tax Act, sections 1 “affixed machinery”, “improvement to real property”, “lease”, “online marketplace facilitator”, “related service”, “sale”, “software”, “tangible personal property”, “use”, 37, 41, 49, 51, 79-80.6, 168, 170 and 192; Provincial Sales Tax Exemption and Refund Regulation, sections 78 and 90-120; Provincial Sales Tax Regulation, sections 75, 77, 79, 80 and 91.