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# Upcoming Changes to British Columbia's Provincial Sales Tax

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# British Columbia (“BC”) has announced additional Provincial Sales Tax (“PST”) registration requirements, effective April 1, 2021.

**Note:** BC PST is a retail sale. Businesses that only make sales for resale, or that only make sales that would be exempt from PST for any other reason, are generally not required to register for PST. The comments below assume that the business is making retail sales that are taxable.

## 1. Businesses located outside BC but within Canada

### 1.1 Sale of software and telecommunication services

Effective April 1, 2021, businesses located outside of BC but within Canada will be required to register for BC PST,

and to collect and remit PST if they meet all the following criteria in the ordinary course of their business:

- Sell or provide taxable software for use on or with an electronic device ordinarily situated in BC or sell or provide taxable telecommunication services to customers in BC;
- Accept orders from customers located in BC to purchase software for use on or with an electronic device ordinarily situated in BC or telecommunication services; and
- Solicit persons in BC, through advertising or other means, for orders to purchase software for use on or with an electronic device ordinarily situated in BC or telecommunication services.

**Note:** Telecommunication services include the right to download, view, or access, via a telecommunication system by means of an electronic device ordinarily situated in BC, television programs, movies, and other videos.

### 1.2. Sale of goods

Effective April 1, 2021, businesses located outside of BC but within Canada will be required to register for BC PST, and to collect and remit PST if they meet all the following criteria in the ordinary course of their business:

- Sell taxable goods to customers in BC;
- Accept orders from customers located in BC to purchase goods;

- Deliver the goods they sell to their BC customers to locations in BC; and
- Make more than \$10,000 of taxable sales in BC annually.

## 2. Businesses located outside of BC, either in or outside of Canada

Effective April 1, 2021, businesses located outside of BC, either in or outside of Canada, will be required to register for BC PST, and to collect and remit PST if they meet **all the following criteria** in the ordinary course of their business:

- Sell or provide taxable software for use on or with an electronic device ordinarily situated in BC or sell or provide taxable telecommunication services to customers in BC;
- Accept orders from customers located in BC to purchase software for use on or with an electronic device ordinarily situated in BC or telecommunication services; and
- Make more than \$10,000 of taxable sales in BC, annually.

## 3. Sellers of Soda Beverages

Effective April 1, 2021, businesses in BC must register to collect and remit PST if they sell soda beverages in BC. This includes restaurants, cafeterias, coffee shops, food trucks, food kiosks, movie theatres, and other eating or drinking establishments.

*Specific professional advice should be obtained prior to the implementation of any suggestion contained in this article. Contact your Crowe Soberman advisor for more information.*



## Connect with the Author

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