



Crowe Soberman | Canada

Smart Decisions. Lasting Value.

Upcoming Changes to British Columbia's Provincial Sales Tax

Frédéric Pansieri

Audit / Tax / Advisory
Member Crowe Global

Chartered Professional Accountants
www.crowesoberman.com

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

Frédéric Pansieri, BBA, CPA, CA, Frédéric Pansieri Professional Corporation
Partner, Commodity Taxes

Frédéric has extensive commodity tax experience, as well as corporate income and experience at the federal level and in various provincial tax jurisdictions across Canada. Connect with Frédéric at frederic.pansieri@crowesoberman.com.

About Crowe Soberman LLP

Based in Toronto, Crowe Soberman is one of the leading public accounting firms in Canada. The firm has been in business over 60 years and has built a strong reputation in the community because of the excellent work our teams of dedicated professionals produce.

Our core services are in Audit, Tax, and Advisory. Along with these, we have professionals who specialize in Business Valuation, Claims Valuation, Corporate Recovery & Turnaround, Forensics, Estates & Trusts, Global Mobility Services, HR Consulting, Commodity Tax (HST), International Transactions & Consulting, International Tax, Litigation Support, M&A Transactions, Management Services, Personal Insolvency and Succession Planning. Members of our various specialty services groups are available when required as a technical resource to assist the client service team.

Crowe Soberman is an independent member of Crowe Global. As a top 10 global accounting network, Crowe Global has over 200 independent accounting and advisory firms in 145 countries. For almost 100 years, Crowe has made smart decisions for multinational clients working across borders. Our leaders work with governments, regulatory bodies and industry groups to shape the future of the profession worldwide. Their exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects. At Crowe Soberman LLP, our professionals share one commitment: to deliver excellence.