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Thrift Stores, Service Clubs, Charitable Organizations and Societies

Provincial Sales Tax Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this bulletin dated December 2014. For a summary of the changes, see Latest Revision at the end of this document.*

This bulletin explains how PST applies to thrift stores, service clubs, charitable organizations and societies.

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Registration and Sales

Registration

You must register as a PST collector if you regularly sell taxable goods at a for-profit or non-profit thrift store, or at an auction, flea market, bazaar or similar location. If you make taxable sales from these locations, you do not qualify for optional registration as a small seller because you are selling from established commercial premises.

You may also be required to register as a collector if you regularly make sales of taxable goods at craft shows or events that are sponsored by your club, organization or society.

For more information about who must be registered, see [Bulletin PST 001](#), *Registering to Collect PST*. For information on the rules for small sellers, see [Bulletin PST 003](#), *Small Sellers*.

Sales

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

However, some items are exempt from PST, such as:

- Used clothing and footwear sold for under \$100 per item

- Children-sized clothing and footwear
- Adult-sized clothing and footwear purchased for children under 15 years of age (purchasers of these items must complete a certification form – see [Bulletin PST 201](#), *Children’s Clothing and Footwear*)
- Books, newspapers, and periodicals (see [Bulletin PST 205](#), *Books, Magazines, Newspapers and Other Publications*)
- Remembrance Day poppies and wreaths
- Natural, cut evergreens sold as Christmas trees
- Non-motorized bicycles, and non-motorized adult-sized tricycles if the diameter of each wheel is at least 350 mm (see [Bulletin PST 204](#), *Bicycles and Tricycles*)

If you only sell items that are exempt from PST, you do not need to register as a PST collector.

Note: Admission tickets sold for events, such as charity galas or dinners, are not subject to PST.

Liquor Sales

Generally, if you sell liquor anywhere or serve liquor at a location that is not a residence or licensed premises, you need a Special Event Permit. You can purchase a Special Event Permit online at specialevents.bcldb.com

For more information, see [Bulletin PST 300](#), *Special Event Liquor Permits*.

If you have a liquor licence, including a Special Event Permit, you must charge 10% PST on the sale of liquor or alcoholic beverages, such as beer (draft, canned or bottled), wine, spirits and liqueurs, coolers and ciders, mixed drinks and any other beverage with an alcohol content of more than 1%.

For more information, see [Bulletin PST 119](#), *Restaurants and Liquor Sellers*.

Liquor Sold at Auction

In certain situations, the Liquor Control and Licensing Branch authorizes charitable organizations to auction liquor without a liquor licence or special event permit. For additional information on when an organization can auction liquor and who is eligible to apply for a charitable auction permit, contact the [Liquor Control and Licensing Branch](#).

Note: Fundraising may have implications for the charitable status of eligible charitable organizations under the *Income Tax Act* (Canada). For more information, contact the [Canada Revenue Agency](#).

Charging and Collecting PST

Whether or not you have a PST number, if you sell liquor at auction, you must charge and collect 10% PST on the total purchase price the successful bidder pays for the liquor. You must charge and collect PST regardless of whether you auction the liquor under a permit issued by the Liquor Control and Licensing Branch or you are exempt from the permit requirement due to the low volume of liquor you auction.

For example, a charitable organization holds a silent auction where one of the items being auctioned is liquor. The winning bid for the liquor is \$50. The organization must collect \$5 in PST (i.e. 10% of \$50).

For more information on how PST applies to liquor sold at auction, including liquor auctioned with other taxable or non-taxable goods, see [Bulletin PST 320](#), *Liquor Sold at Auctions*.

Raffles, Prizes and Gifts

Raffles and Contest Prizes

If you sell raffle tickets for prizes of taxable goods, such as televisions or computers, or give away taxable goods in a contest, bingo or related activity, you do not charge PST on, or include PST in, the ticket price or the cost of participating in the contest, bingo or related activity. However, as the provider of the prize, you must pay PST on your cost to acquire the taxable goods you raffle or give away in a contest, bingo or related activity. The prize winner does not pay PST on the cost of the prize.

Note: Special rules apply if the prize is a vehicle, boat or aircraft (see [Bulletin PST 308](#), *PST on Vehicles*, [Bulletin PST 108](#), *Boats* and [Bulletin PST 134](#), *Aircraft*).

For more information on the PST rules applicable to prizes received as a result of a raffle, draw or award, see [Bulletin PST 312](#), *Gifts*.

Gifts

PST does not apply to gifts you receive in BC (except gifts of vehicles, boats and aircraft in certain circumstances), or to gifts received outside BC and brought into the province by a registered charity as defined in section 248(1) of the *Income Tax Act* (Canada).

For more information, see [Bulletin PST 312](#), *Gifts*.

Gifts Given by Charities in Exchange for a Donation

If you are a registered charity, you do not charge PST on goods, such as ribbons, key chains, pins or similar items of a nominal value, that you provide as gifts in exchange for a donation. However, you must pay PST on all taxable items you purchase and give away.

Refunds

Medical Equipment Refunds

If you are an eligible charity and you contribute eligible charity funds towards the purchase of eligible medical equipment, you may qualify for a refund of the PST paid with those charity funds.

For more information, including what medical equipment is eligible, the formula for calculating the refund and how to apply for a refund, see [Bulletin PST 402](#), *PST Refunds on Charity-Funded Purchases of Medical Equipment*.

Note: Some medical equipment is PST exempt (see [Bulletin PST 207](#), *Medical Supplies and Equipment*).

Purchases Made with PAC-Raised Funds

A parents' advisory council (PAC), a board of education or a francophone education authority may qualify for a refund of PST paid on qualifying goods or software purchased entirely or in part with PAC-raised funds. To be eligible, the goods or software purchased must be for school or student use at the PAC's school.

For more information, including the formula for calculating the refund and how to apply for a refund, see [Bulletin PST 401](#), *PST Refunds on PAC-Funded Purchases*.

Note: Some school supplies are exempt (see [Bulletin PST 202](#), *School Supplies*).



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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

April 2017

- Revised the Liquor Sales section to update terminology by replacing special occasion liquor licences with special event permits
 - Other minor revisions
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References: *Provincial Sales Tax Act*, sections 1 “eligible charity”, “parents’ advisory council”, “registered charity”, “small seller”, 98, 145, 162, 168, 182.2, 186 and 203; *Provincial Sales Tax Exemption and Refund Regulation*, sections 9, 10, 15-17, 18-20, 51, 55, 121, and 122; *Provincial Sales Tax Regulation*, sections 73.1, 77, 88.1 and 88.2.