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OCT 03 2014

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Valerie Tribes, President
British Columbia Association of Healthcare Auxiliaries
200 – 1333 West Broadway
Vancouver BC V6H 4C6

Dear Ms. Tribes:

Thank you for your letter of August 31, 2014, addressed to the Honourable Michael de Jong, Q.C., Minister of Finance, requesting an exemption from provincial sales tax (PST) for goods sold by Healthcare Auxiliary thrift shops. I am pleased to respond on behalf of the Minister.

Under the harmonized sales tax (HST), registered charities were treated differently from other businesses. Most sales made by registered charities were exempt from HST and registered charities were eligible to claim either input tax credits or a 50 per cent public service body rebate for HST paid by the registered charities on their acquisition of taxable goods and services.

The PST, which was re-implemented on April 1, 2013, applies to registered charities, including healthcare auxiliaries, in the same manner it applied under the old PST. Under the PST, there is no distinction between sales of goods by registered charities from a thrift shop and sales of goods by other businesses. A registered charity may purchase goods solely for re-sale exempt from PST and sales of most goods, new or used, are subject to PST, payable by the purchaser of the goods. Sales of children sized clothing and sales of used clothing and footwear with a purchase price of less than \$100 are again exempt.

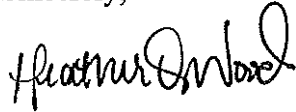
Registered charities that are registered for the PST and collect and remit PST as required are again eligible for the up to \$198 per month commission for acting as the government's agent in the collection of PST from customers.

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The government reviews provincial taxes each year during the preparation of the provincial budget and, within the context of the government's fiscal situation and other priorities, implements changes it determines to be appropriate and your request for a PST exemption will be considered as part of that process.

I would like to thank you again for taking the time to write.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Wood". The signature is written in a cursive style with a large, looping initial "H".

Heather Wood
Assistant Deputy Minister
Policy and Legislation Division