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PST-19

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## THE PROVINCIAL SALES TAX ACT

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**READER SURVEY**

### INFORMATION FOR NEWSPAPER PUBLISHERS

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

*Changes to this bulletin are indicated by a (I) in the left margin.*

The contents of this bulletin are presented under the following sections:

- A. What is a Newspaper?
- B. Sales of Newspapers
- C. Advertising in Newspapers
- D. Purchases of Materials
- E. Direct Agents
- F. Electricity
- G. Goods and Services for Your Own Use
- H. Sales of Used Business Assets
- I. Saskatchewan Electronic Tax Service (SETS)

#### **A. WHAT IS A NEWSPAPER?**

A newspaper is defined to be a printed publication for regular distribution to the general public, the contents of which are principally a factual reporting of current news of interest to the general public, together with general advertisements and literary matter. Current news and literary matter must comprise 20% or more of the total content of the newspaper.

#### **B. SALES OF NEWSPAPERS**

Newspapers are not subject to tax.

#### **C. ADVERTISING IN NEWSPAPERS**

Charges for the preparation of advertising in newspapers are subject to tax.

Charges for the placement of advertising in newspapers are not subject to tax.

Advertising flyers, including those inserted into newspapers, are subject to tax.

Charges to insert and distribute flyers are exempt.

For further information on advertising, please refer to Information Bulletin [PST-67, Information for Businesses Providing Advertising Services.](#)

**D. PURCHASES OF MATERIALS**

Materials consumed or used in the publishing of newspapers and advertising publications are subject to the following guidelines:

**(a) Taxable**

- Equipment and repairs to equipment
- Computer programming, function and data tapes
- Materials and supplies which do not become incorporated into the finished product which is sold to the customer

**(b) Exempt**

- All materials which are attached to or that become incorporated into the newspaper, including paper and ink
- Labour component of in-house production costs for computer programming, printing plates and artwork
- Syndicated material (printed matter) used for newspaper articles
- Direct agents

**E. DIRECT AGENTS**

Direct agents are those materials consumed or used by a newspaper publisher for the manufacture of a newspaper by contact or temporary incorporation into the newspaper being printed.

Direct agents include the following:

- cuts and dies
- plates
- photographic and proofing materials
- chemicals including developer and activator
- negatives
- film
- fountain solution
- perforating supplies
- press blankets
- dampener covers

The following are not considered to be direct agents:

- production machinery and equipment, including repair parts
- lubricating oils, grease and maintenance supplies
- press, plate and film cleaners, including deglazers, conditioners and washes
- developing pads
- air cleaner supplies
- filters
- camera and light bulbs
- clothing and safety supplies
- hand cleaners and dispensers
- wipes, rags and cleaning pads
- power air and hand tools

Newspaper publishers who also do commercial printing should refer to Information Bulletin [PST-20, \*Information for Printers and Desktop Publishers\*](#).

#### **F. ELECTRICITY**

Electricity used in a direct manufacturing process is not subject to PST.

The exemption for manufacturing electricity applies only to the electricity that is consumed by equipment and machinery used in a direct manufacturing process. Electricity consumed for any other purpose, including lighting of premises, ventilation, and elevators, is subject to tax.

If your power billings are less than \$200,000 per year, you will be allowed an exemption of 80% on your electrical consumption. Please provide us with a copy of your current power bill and we will notify your supplier to collect tax on 20% of your power billings. A refund of tax paid on previous power billings may be obtained by submitting copies of your power billings.

If your power billings exceed \$200,000 per year, you will be required to contact The Ministry of Finance and complete a power survey.

#### **G. GOODS AND SERVICES FOR YOUR OWN USE**

Businesses are required to pay tax on purchases of equipment, services, and supplies used in their business. If they are purchased from a licensed supplier, the tax must be paid to the supplier. If they are purchased from an unlicensed supplier located outside Saskatchewan, the tax must be submitted with the return on the laid down cost, which includes exchange, transportation charges, customs and excise duties, and importation charges, but not the GST.

#### **H. SALES OF USED BUSINESS ASSETS**

Businesses are required to collect tax on the sale of used assets, such as vehicles and equipment. When used assets are being sold as part of the closure of a business, the purchaser is required to self-assess and report the tax.

When individuals purchase used goods for personal use, other than vehicles, tax applies to the selling price of the goods less a deduction of \$300 per item. If a trade-in is involved, the purchaser is entitled to a deduction of \$300 or the value of the trade-in, whichever is greater. If the goods are for commercial use, the \$300 deduction does not apply.

For further reference please see Information Bulletin [PST-58, Information on the Taxation of Used Goods](#).

#### **I. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)**

The Ministry of Finance has made it possible to report and remit tax electronically through the use of a standard Internet connection. SETS offers a secure, fast, easy and convenient alternative to filing returns in paper format. Several E-File services are currently available through SETS.

Businesses may use SETS to file and pay returns for PST and other provincial taxes.

SETS allows businesses to:

- file and pay returns or make payments on account;
- file a return and post-date the payment to the due date;
- view account balance and statement information;
- authorize your accountant to file on your behalf; and,
- subscribe to an email notification service that allows the option to be notified by email that a tax return should be filed. This replaces the paper forms normally received in the mail.

#### **FOR FURTHER INFORMATION**

Write: Ministry of Finance  
Revenue Division  
PO Box 200  
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102  
Regina 306-787-6645

Email: [sasktaxinfo@gov.sk.ca](mailto:sasktaxinfo@gov.sk.ca)

In-Person: Ministry of Finance  
Revenue Division  
2350 Albert St  
REGINA SK S4P 4A6

Fax: 306-787-9644

Internet: Tax bulletins, forms and information are available [here](#).

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