

Information Bulletin

PST-3

Issued: October 1993

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THE PROVINCIAL SALES TAX ACT

MOVIE AND FILM PRODUCTION INDUSTRY

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 bar (|) in the left margin.

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A. SALE OF MOVIES, FILMS, BROADCAST RIGHTS AND COMMERCIALS

The total selling price of movies, films, broadcast rights and commercials are subject to tax. If these items are shipped out of Saskatchewan, tax is not payable. Evidence of shipment must be retained.

Sales of the "right to use" a movie or film to television stations, SCN, and schools are exempt.

B. DIRECT AGENTS

Direct agents are those materials consumed or used by a manufacturer or processor in the transformation or manufacture of a product by contact or temporary incorporation into the raw materials being manufactured or processed. If you are actively involved in the manufacturing or production of a film video or audio production, you will qualify for the tax exemption on direct agents.

The following are direct agents used by the movie and film production industry:

- (a) film and video tape used during the production of a film/movie, up to, but not including, the finished release print;

- (b) film and video stock footage, stock shots, audio stock and pre-recorded audio from any source, whether used in production or post-production;
- (c) all other "carriers" of image or audio, whether cassettes, discs and DAT whether used to collect elements, to edit or as final master;
- (d) film developing and processing;
- (e) video and audio studio time rental, excluding video and audio post-production services;
- (f) audio and video duplication services; and,
- (g) artwork used in the film/movie and purchased from outside sources.

C. EXEMPT PURCHASES FOR YOUR OWN USE

The following items are not subject to tax:

- (a) all post-production processes including picture and sound editing, creation of special effects, matte shots, glass shots, miniatures, montages, animations, credits, titles, voice-overs, music tracks and original music composition, regardless of the medium of delivery;
- (b) writers' fees; and,
- (c) acting fees, workshops, and seminars.

D. GOODS FOR OWN USE

The tax must be submitted on the purchase or rental of goods for your own use whether taken from stock or purchased from a supplier who did not charge the tax. Goods in this category include:

- equipment, including camera, sound and lighting equipment and equipment repair parts and labour;
- computer hardware and software;
- props, set materials and clothing;
- promotional materials, posters and brochures;
- office stationery and supplies; and,
- office furniture and equipment.

Tax must be paid on the total cost to bring the goods and services into the province. The total cost of the goods includes the purchase cost of the goods, exchange, duty, brokerage fees and freight.

E. 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, Used Goods](#).

F. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS:

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

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

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

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Government website: Saskatchewan.ca