

Information Bulletin

PST-22

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THE PROVINCIAL SALES TAX ACT

COMMERCIAL REFRIGERATION VENDORS AND CONTRACTORS

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. [Tangible Personal Property Sales Contracts](#)
- B. [Real Property Contracts](#)
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- D. [Retail Sales of Parts and Supplies](#)
- E. [Sales of Used Business Assets](#)
- F. [Goods and Services for Your Own Use](#)
- G. [Saskatchewan eTax Services \(SETS\)](#)

A. TANGIBLE PERSONAL PROPERTY SALES CONTRACTS

Stand-alone refrigeration equipment, such as self-contained coolers and freezers, are considered to be tangible personal property. The tax applies as follows:

Sale:	Collect tax on the selling price of the refrigeration unit.
Installation charge:	Collect tax on the labour and supplies and installation materials used to install the equipment.
Servicing:	Collect tax on the parts and labour to service the equipment.
Maintenance or extended warranty contracts:	Collect tax on the selling price of the contract. Any labour, parts, or materials covered under the terms of the contract are tax exempt. Parts and labour charged to the customer and deductibles not covered under the contract are subject to tax.

Refrigeration vendors and contractors may purchase the equipment, parts and installation materials exempt from tax by quoting their vendor's licence number to their suppliers.

B. REAL PROPERTY CONTRACTS

Effective April 1, 2017, PST applies to the total charge to the customer for real property supply and install contracts. This includes the supply and installation of equipment such as walk-in freezers and coolers.

Supplies and installation materials:	Collect tax on the selling price of the equipment as well as labour and material charges for the installation.
Servicing and repair:	Collect tax on the parts and labour to service the equipment.
Maintenance or extended warranty contracts:	Collect tax on the selling price of the contract. Any labour, parts, or materials covered under the terms of the contract are tax exempt. Parts and labour charged to the customer and deductibles not covered under the contract are subject to tax.

Refrigeration vendors and contractors may purchase the equipment, parts and installation materials exempt from tax by quoting their vendor's licence number to their suppliers.

C. COMBINED TANGIBLE PERSONAL PROPERTY AND REAL PROPERTY CONTRACTS

Equipment in this category would include refrigerated display cases, preparation tables, and similar equipment with a "remoted" compressor or condenser.

Effective April 1, 2017, PST applies to the total charge to the customer for these contracts.

D. RETAIL SALES OF PARTS AND SUPPLIES

Tax must be collected on the selling price of parts and supplies.

E. SALES OF USED BUSINESS ASSETS

Businesses are required to collect tax on the sale of used assets, such as taxable 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 information please see Information Bulletin [PST-58, Used Goods](#).

F. GOODS AND SERVICES FOR YOUR OWN USE

Businesses are required to pay tax on purchases of new and used equipment, supplies and taxable services purchased for use in their business operations. Tax is payable as follows:

- When purchased from a licensed supplier, the tax must be paid to the supplier at the time of purchase.
- When purchased from a supplier who did not collect the tax, or when taken from an exempt resale inventory, the tax must be self-assessed and remitted with the regular tax return. This includes goods taken for personal or business use.
- When purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and remitted with the regular tax return on the laid down cost, which includes currency exchange, transportation charges, customs and excise duties, and importation charges; but not the GST.

G. 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 (sets.saskatchewan.ca):

- 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.

To receive automatic email notifications when this or any other bulletin is revised, go to sets.saskatchewan.ca/subscribe.

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Government website: Saskatchewan.ca