
PST-74

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PROVINCIAL SALES TAX ACT

INFORMATION FOR VENDORS OF CANNABIS

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax (PST) and to assist you in understanding your obligations under *The Provincial Sales Tax Act*. It is a general guide and not a substitute for the legislation.

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

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A. GENERAL INFORMATION

As announced by the Federal Government, cannabis became legal in Canada effective October 17, 2018. The Saskatchewan Liquor and Gaming Authority (SLGA) is responsible for regulating the industry in Saskatchewan, including permitting and monitoring the operation of wholesalers and retailers.

Questions related to permitting and the range of requirements such as, who a retailer can buy product from, who may enter a store, and what types of products may be sold, must be directed to SLGA's Cannabis Licensing and Services Inspection Branch.

Links to additional cannabis information include:

- Cannabis in Saskatchewan – www.saskatchewan.ca/cannabis
- SLGA Cannabis Permits and Licences – www.slga.com/permits-and-licences/cannabis-permits

B. PST REGISTRATION AND REPORTING REQUIREMENTS

All SLGA registered wholesalers, retailers and producers of cannabis are required to be registered with the Revenue Division as a Licenced Vendor for the purpose of collecting and remitting PST on taxable sales and to report any tax payable on equipment, supplies and taxable services purchased for their own consumption or use. This includes wholesalers, retailers and producers located on reserve land.

Out of province producers selling medical cannabis products or accessories directly to authorized purchasers residing in Saskatchewan are also required to become licenced to collect the PST.

For further information regarding vendor responsibilities and tax return filing, please see Information Bulletin [PST-5, General Information](#).

C. RETAIL SALES OF CANNABIS AND ACCESSORIES

All retail sales of cannabis are subject to PST, including sales of medical cannabis, fresh and dried cannabis, cannabis oils, cannabis plants, starter kits and seeds. Tax must be collected on the selling price to the customer.

Effective October 17, 2019, the federal *Cannabis Act* was updated to include the legal sale of edible cannabis, cannabis extracts and cannabis topicals. Sales of these products are also subject to PST. Tax must be collected on the selling price to the customer.

Retail sales of cannabis accessories such as rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers are also subject to PST.

On reserve sales to Status Indians are not subject to PST providing the complete 10-digit *Certificate of Indian Status Identification Card* number is recorded on the invoice. On reserve sales to non-Status Indians are subject to PST.

D. CANNABIS WHOLESALERS

Wholesalers of cannabis products and accessories are not required to collect PST on sales to other vendors for resale purposes, providing the purchaser's vendor's licence number is recorded on the invoice or retained in the wholesaler's records. Taxable goods that are not for resale may not be purchased exempt from PST.

E. CANNABIS PRODUCERS

SLGA permitted producers who qualify as a farmer for PST purposes are eligible for certain PST farm exemptions. For information regarding these exemptions and the criteria to qualify as a farmer, please see Information Bulletin [PST-23, Information for Florists, Nurseries and Lawn and Garden Centres](#).

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. 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](#).

H. TAX TIPS LINE

When a business or individual does not comply with provincial tax legislation, businesses face unfair competition and a burden is placed on all taxpayers who do comply. It causes significant loss in the revenue available to fund services such as health, education and other important government programs.

Tax Tips Line provides an anonymous, fully confidential way for the public to report businesses or individuals who are participating in tax fraud. If you suspect that a business or individual is being dishonest with their provincial taxes or is misrepresenting their activities to reduce their taxes, you can report them using Tax Tips Line.

Please visit our website at sets.saskatchewan.ca to find out more regarding types of tax fraud and the information to report, if possible.

Tax Tips Line is specifically and solely for information related to provincial tax compliance. Any unrelated inquiries or information will not be addressed by the Tax Tips Line, and should be directed to the appropriate organization.

How to Report:

- 1) Toll-free 1-833-334-8477
- 2) Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6
- 3) [Online Form Submission](#)

I. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)

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

Fax: 306-787-9644

Internet: Tax bulletins, forms and information are available at www.sets.saskatchewan.ca/taxinfo.

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

Government website: Saskatchewan.ca