

Information Bulletin

PST-26

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THE PROVINCIAL SALES TAX ACT

VETERINARIANS AND VETERINARY SUPPLY FIRMS

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 (|) in the left margin.

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

- A. Definition of Veterinary Services
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- C. Consumables and Items Sold as Part of a Veterinary Service
- D. Taxable Sales
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- F. Sales of Used Business Assets
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A. DEFINITION OF VETERINARY SERVICES

Taxable “veterinary services” means those services provided by a person who is registered to practice veterinary medicine pursuant to *The Veterinarians Act, 1987*. This includes services that are provided by any assistants or other support staff who provide those services under the supervision, authority or direction of a veterinarian.

Excluded from the definition of taxable veterinary services are any services provided with respect to commercial livestock or by a person who provides services to that person’s employer in the course of employment.

“Commercial livestock” means an animal raised in a primary farming operation that is intended to be sold for food, for racing or for the sale of products produced by the animal. This includes horses owned by farmers. Pet stock is not considered to be commercial livestock.

B. VETERINARY SERVICES, VETERINARY DRUGS AND MEDICINES AND PET FOOD

Fees charged by a veterinarian for veterinary services, drugs and medicines, and pet food, including vitamins and dietary supplements, are subject to tax. Taxable fees include professional fees, service calls, procedural charges, diagnostic fees and hospitalization charges.

Fees charged for veterinary services, feed and drugs and medicines administered to commercial livestock are exempt. Drugs and medicines purchased by a farmer for commercial livestock are exempt from tax, providing the farmer provides a land location and certifies that the medicines are being purchased for use in a primary farming activity.

C. CONSUMABLES AND ITEMS SOLD AS PART OF A VETERINARY SERVICE

The application of tax to purchases made by a veterinarian depends on whether the item was purchased for resale or if it is to be consumed in the course of providing veterinarian services. Below are examples to show the differences between consumables and retail items and how tax would apply:

- Consumable products represent goods that are considered to be used or consumed by the veterinarian in the course of providing a service. Consumables are not billed separately on the customer's invoice.

Example:

To conduct test	\$160.00

Total	\$160.00

- Some practitioners will list consumables used to provide the service as a courtesy to their customers. In such instances, the consumable items are shown on the invoice, but the value for the consumables is not shown.

Example:

To conduct test, including consumables	\$160.00

Total	\$160.00

In both examples above, PST applies on the \$160.00 fee and the veterinarian pays tax on the cost of the consumables used to conduct the test.

Tax is paid by the veterinarians on the cost of consumables at the time of purchase. If consumable items are taken from a tax free inventory, veterinarians are required to account for tax on those consumables, either on a cost basis or by using the following formula:

$$(\text{Total Purchases} - \text{cost of itemized retail sales}) - \text{cost of inventory} \times \text{Tax Rate}$$

Retail items are sold to the customer and are itemized on the invoice with a retail selling price. For billing purposes, the veterinarian collects tax on the full selling price of the retail items and the veterinary services. The veterinarian may acquire retail items exempt from tax by quoting their vendor's licence number to the supplier. If a veterinarian has paid tax on the cost of a retail item at the time of purchase, an internal credit can be taken.

Example:

To conduct test	\$125.00
Retail Item	\$ 35.00

Total	\$160.00

PST applies on the \$160.00 fee and the veterinarian is not required to pay tax on the cost of the retail item.

D. TAXABLE SALES

The following items are subject to tax:

- Absorbent cotton
- Bandages, dressings, drapes, and tape
- Biologics
- Blankets
- Cast materials
- Collars and leashes for pets, including flea collars
- Combs and brushes
- Disinfectants and germicidals, including iodine
- High pressure washers
- Hoof nippers, trimmers, and rasps
- Household insecticides
- Knives
- Lariat ropes
- Liniments
- Needles and syringes
- Nitrogen tanks
- Ointments and salves
- Pet food and vitamins
- Rawhide dog chews
- Rodenticides
- Rubbing alcohol
- Saddle soap

- Shampoos
- Silver nitrate sticks (exempt when sold for or administered to commercial livestock)
- Soap, including medicated
- Sterilized gauze
- Sutures
- Veterinary drugs, medicines, and biologics (exempt when sold for or administered to commercial livestock)
- Vitamin and dietary supplements (exempt when sold for or administered to commercial livestock)
- Whips

E. EXEMPT SALES

The following are exempt when sold for commercial livestock:

- Artificial insemination equipment
- Branding irons and branding fluids
- Bull and hog rings and leads
- Bull semen
- Cattle oilers, cattle chutes, squeezes and head gates
- Cow anti-kick, hobbles, lifters, and mats
- Cow or sheep bells
- Cow trainers
- Dairy and poultry thermometers
- Dehorning paste
- Drugs, medicines, biologics, vitamins, and dietary supplements when sold for or administered to commercial livestock
- Ear tags and other livestock identification tags
- Forceps and scalpels
- Harnesses, halters, bridles, bits, tying chains, saddles, saddle pads, breast collars and horseshoes
- Intravenous equipment and supplies
- Livestock clippers and shears
- Livestock feed and salt
- Livestock insecticides, including flea and louse powder, and applicators
- Livestock magnets
- Livestock scales
- Sheep branding paint
- Specialized detergents, cleaners and sanitizing solutions used in dairy farming (Farm Exemption Certificate or equivalent required)

- Stock prods
- Tattooing tools and ink
- Teat dilators
- Udder supports
- Veterinary instruments including calf weaners, emasculators, ear notchers and pliers, castrators, calf pullers, dehorners, and bloat trochars
- Veterinary manuals (exempt to all purchasers)
- Sales to status Indians, Indian bands and band-empowered entities are not subject to tax upon presentation of a Certificate of Indian Status identification card issued under the *Indian Act* (Canada), providing the goods are delivered by the retailer to a reserve or the taxable services are provided on a reserve. The complete 10-digit card number must be recorded on the invoice. If the federal identification card number is only 3 to 5 digits, record the number and the name of the band on the sales invoice.
- Goods and services sold to federal government departments or agencies are not subject to tax. Goods and services sold to federal crown corporations, provincial government ministries or agencies or to provincial crown corporations are subject to tax.

F. 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](#).

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:

- 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 www.sets.saskatchewan.ca/taxinfo.

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