

# Information Bulletin

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PST-53

Issued: March 2000

Revised: April 10, 2018

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## THE PROVINCIAL SALES TAX ACT

### LAUNDERERS AND DRY CLEANERS

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. Laundry and Dry Cleaning Services
- B. Exempt Services and Lost or Damaged Goods
- C. Alterations and Repairs
- D. Dry Cleaning Sales Agents
- E. Packaging Materials
- F. Sales of Used Business Assets
- G. Goods and Services for Your Own Use
- H. Saskatchewan eTax Services (SETS)

#### **A. LAUNDRY AND DRY CLEANING SERVICES**

Laundry and dry cleaning services are subject to PST. Businesses that provide these services must collect tax on the charges for cleaning and laundering clothing, bedding, drapes, blinds, rugs and similar items.

Businesses that purchase these services for resale may purchase the services tax exempt by quoting their Provincial Sales Tax licence number to their suppliers.

#### **B. EXEMPT SERVICES AND LOST OR DAMAGED GOODS**

Businesses that provide self-serve coin-operated laundry services are not required to collect tax.

Launderers and dry cleaners who replace lost or damaged goods for their customers are responsible for tax on the cost of the replacement goods.

**C. ALTERATIONS AND REPAIRS**

Businesses that provide these services must collect tax on the total charge to their customers for alteration charges, such as mending, hemming, zipper replacement and sewing. You may purchase the repair materials tax exempt by providing your vendor's licence number to the supplier.

Businesses that purchase alterations and repair services for resale may purchase the services tax exempt by providing their Provincial Sales Tax licence number to their supplier.

**D. DRY CLEANING SALES AGENTS**

Dry cleaners who establish agents throughout an area for pick-up and drop-off of items for cleaning may account for tax using one of two methods:

- If the agent sells the services as an independent firm, the agent must collect the tax. The agent can purchase the dry cleaning services tax exempt by providing the dry cleaner with their PST licence number.
- If the agent sells the services on behalf of the dry cleaner, the dry cleaner must collect and remit the tax.

**E. PACKAGING MATERIALS**

All purchases of containers, labels, hangers, plastic covers, pins, tags and similar supplies provided to the customer with laundry and dry cleaning services are exempt from tax. You may purchase these materials tax exempt by providing your PST licence number to the supplier.

**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. 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.

Goods and services on which the tax must be paid include:

- Equipment, tools, furnishings, repair parts, repair labour and stationery
- Cleaning supplies, including chemicals, soaps and solvents

#### **H. 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](mailto:sasktaxinfo@gov.sk.ca)

Internet: Tax bulletins, forms and information are available at [www.sets.saskatchewan.ca/taxinfo](http://www.sets.saskatchewan.ca/taxinfo).

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