

# Information Bulletin

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PST-19

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## THE PROVINCIAL SALES TAX ACT

### NEWSPAPER PUBLISHERS

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.*

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#### **A. WHAT IS A NEWSPAPER?**

A newspaper is defined to be a printed publication for regular distribution to the general public, the contents of which are principally a factual reporting of current news of interest to the general public, together with general advertisements and literary matter. Current news and literary matter must comprise 20% or more of the total content of the newspaper.

#### **B. SALES OF NEWSPAPERS**

Newspapers are not subject to tax.

#### **C. ADVERTISING IN NEWSPAPERS**

Charges for the preparation of advertising in newspapers are subject to tax.

Charges for the placement of advertising in newspapers are not subject to tax.

Advertising flyers, including those inserted into newspapers, are subject to tax.

Charges to insert and distribute flyers are exempt.

For further information on advertising, please refer to Information Bulletin [PST-67, Advertising Services](#).

**D. PURCHASES OF MATERIALS**

Materials consumed or used in the publishing of newspapers and advertising publications are subject to the following guidelines:

**(a) Taxable**

- Equipment and repairs to equipment
- Computer programming, function and data tapes
- Materials and supplies which do not become incorporated into the finished product which is sold to the customer

**(b) Exempt**

- All materials which are attached to or that become incorporated into the newspaper, including paper and ink
- Labour component of in-house production costs for computer programming, printing plates and artwork
- Syndicated material (printed matter) used for newspaper articles
- Direct agents

**E. DIRECT AGENTS**

Direct agents are those materials consumed or used by a newspaper publisher for the manufacture of a newspaper by contact or temporary incorporation into the newspaper being printed.

Direct agents include the following:

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|---|------------------------|
| • cuts and dies                               | • film                 |
| • plates                                      | • fountain solution    |
| • photographic and proofing materials         | • perforating supplies |
| • chemicals including developer and activator | • press blankets       |
| • negatives                                   | • dampener covers      |

The following are not considered to be direct agents:

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|--|--|
| • production machinery and equipment, including repair parts | • press, plate and film cleaners, including deglazers, conditioners and washes |
| • lubricating oils, grease and maintenance supplies          | • developing pads  |

- air cleaner supplies
- filters
- camera and light bulbs
- clothing and safety supplies
- hand cleaners and dispensers
- wipes, rags and cleaning pads
- power air and hand tools

Newspaper publishers who also do commercial printing should refer to Information Bulletin [PST-20, Printers.](#)

#### **F. ELECTRICITY**

Electricity used in a direct manufacturing process is not subject to PST.

The exemption for manufacturing electricity applies only to the electricity that is consumed by equipment and machinery used in a direct manufacturing process. Electricity consumed for any other purpose, including lighting of premises, ventilation, and elevators, is subject to tax.

If your power billings are less than \$200,000 per year, you will be allowed an exemption of 80% on your electrical consumption. Please provide us with a copy of your current power bill and we will notify your supplier to collect tax on 20% of your power billings. A refund of tax paid on previous power billings may be obtained by submitting copies of your power billings.

If your power billings exceed \$200,000 per year, you will be required to contact the Ministry of Finance and complete a power survey.

#### **G. 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.

#### **H. 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](#).

#### **I. 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](http://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**

<u>Write:</u>	Ministry of Finance Revenue Division PO Box 200 REGINA SK S4P 2Z6	<u>Telephone:</u>	Toll Free 1-800-667-6102 Regina 306-787-6645
		<u>Email:</u>	<a href="mailto:sasktaxinfo@gov.sk.ca">sasktaxinfo@gov.sk.ca</a>

Internet: Tax bulletins, forms and information are available at [saskatchewan.ca/business-taxes](http://saskatchewan.ca/business-taxes).

To receive automatic email notifications when this or any other bulletin is revised, go to [sets.saskatchewan.ca/subscribe](http://sets.saskatchewan.ca/subscribe).

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Government website: [Saskatchewan.ca](http://Saskatchewan.ca)