

Information Bulletin

PST-74

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THE PROVINCIAL SALES TAX ACT
THE VAPOUR PRODUCTS TAX ACT

CANNABIS

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

Changes to this bulletin are indicated by a (I) in the margins.

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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 related 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 Inspections Branch.

Links to additional cannabis information include:

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

B. PST REGISTRATION AND REPORTING REQUIREMENTS

All businesses with SLGA issued cannabis wholesale permits or cannabis retail store permits, as well as SLGA registered cannabis suppliers, are required to be registered with the Ministry of Finance as a Licensed 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 suppliers located on reserve land.

Federally licensed out of province businesses selling medical cannabis products or accessories directly to authorized purchasers residing in Saskatchewan are also required to become licensed to collect the PST.

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

C. VPT REGISTRATION AND REPORTING REQUIREMENTS

Effective September 1, 2021 all vendors of vapour products are required to be registered with the Ministry of Finance as a VPT Licensed Vendor for the purpose of collecting and remitting VPT at 20% on taxable sales.

This licence is in addition to the PST Vendor's Licence required for PST taxable sales of cannabis products. A separate return must be completed to report and remit the VPT collected.

For further information regarding products subject to VPT, please refer to Information Bulletin [VPT-1, Vapour Products Tax](#).

D. RETAIL SALES OF CANNABIS PRODUCTS AND CANNABIS RELATED DEVICES AND ACCESSORIES

Cannabis Products

Retail sales of cannabis are subject to PST, including sales of medical cannabis, edible cannabis, fresh and dried cannabis, cannabis extracts, cannabis topicals, cannabis plants, and cannabis plant seeds. PST must be collected on the selling price to the customer.

Cannabis Related Devices and Accessories

Retail sales of cannabis accessories and ancillary items are subject to PST, including:

- Rolling papers or wraps
- Holders
- Grinders and screens
- Pipes
- Bongos or water pipes
- Dab or oil rigs (that do not include e-nails or electric heating elements)
- Dry herb vaporizers intended for use only with dried cannabis within the meaning of *The Cannabis Control (Saskatchewan) Act*
- Cannabis filled single use vape pens
- Cannabis filled vaping cartridges when billed separately from the total price of a VPT applicable vaping device (if not segregated on the invoice, VPT applies to the total amount)
- Cleaning tools and accessories
- Lighters
- Branded apparel
- Batteries, other than those designed for use in vaping devices subject to VPT

Note: Multi-use devices that are capable of vaporizing cannabis other than dried cannabis are subject to VPT, as these are not considered dry herb vaporizers. See [Section E](#) for VPT information.

Exempt Sales to Status Indians

On reserve sales to Status Indians are not subject to PST or VPT 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 or VPT as applicable.

E. RETAIL SALES OF VAPOUR PRODUCTS

Effective September 1, 2021, Vapour Products Tax (VPT) at the rate of 20% applies to all vapour products pursuant to *The Vapour Products Tax Act*.

Provincial Sales Tax (PST) at the rate of 6% continues to apply to vapour products sold through August 31, 2021. Vapour products sold after this date will no longer be subject to PST. **Either VPT or PST applies, not both.**

Vapour products taxable at 20% under *The Vapour Products Tax Act* include:

- E-cigarettes and other vaping devices
- Cartridges, parts and accessories for these devices
- E-substances (vaping substances)

Note: Cannabis products as defined in *The Cannabis Control (Saskatchewan) Act* are not subject to VPT. These products remain subject to PST at 6%. See [Section D](#) for PST information.

Examples of items taxable under VPT include:

- Dab pens
- E-nails
- Vape pens
- Multi-use devices capable of vaporizing e-substances
- Any other devices used to inhale e-substances
- Batteries designed for use in vaping devices

For further information regarding products subject to VPT, please refer to Information Bulletin [VPT-1, Vapour Products Tax](#).

F. CANNABIS WHOLESALERS

Wholesalers of cannabis products and accessories are not required to collect PST or VPT on sales to other vendors for resale purposes, providing the purchaser's PST and/or VPT 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 or VPT.

G. CANNABIS PRODUCERS

SLGA registered 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, Florists, Nurseries and Lawn and Garden Centres](#).

H. 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.

I. 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](#).

J. 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 saskatchewan.ca/business/taxes-licensing-and-reporting/provincial-taxes-policies-and-bulletins/tax-tips-line 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](#)

K. 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.

To provide feedback or suggest changes to this bulletin, please complete a [Bulletin Survey](#).

Government website: Saskatchewan.ca