

# Mandatory Sales Tax System Registration for Certain Non-resident Suppliers in Saskatchewan: A Reminder

June 2019

## Online Tax Strategies

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### MANDATORY REGISTRATION: CHANGES RETROACTIVE TO APRIL 1, 2017

While more than a year has passed since the amendments to Saskatchewan's provincial sales tax (PST) system were assented to, it's important to remember the main features of these changes since, even today, they have a significant impact on some commercial entities doing business in that province.

As a reminder, on May 30, 2018, Royal Assent was given to the amendments proposed by the Government of Saskatchewan regarding the PST registration criteria for non-resident suppliers. These changes, effective retroactively to April 1, 2017, broaden the tax base to include non-resident suppliers who make sales of tangible property and certain other taxable services to consumers in Saskatchewan.

### CHANGES TO THE DEFINITION OF "SUPPLIER"

Among the changes to the legislation is the expansion of the definition of "supplier" in subsection 3(1.1) of the *Provincial Sales Tax Act*. As a result, retroactive to April 1, 2017, non-resident suppliers who make sales of taxable property for use or consumption in Saskatchewan are deemed having made a retail sale in that province. Accordingly, soliciting consumers to obtain orders is no longer an essential criterion for provincial sales tax registration.

In practical terms, any supplier who makes sales of taxable property or delivers property in Saskatchewan is required (subject to the \$10,000 small supplier threshold) to register for the PST system, regardless of the level of physical presence or solicitation in the province.

### CHANGES TO TAX LIABILITY

In addition to the changes to the definition of "supplier", any non-resident person who makes sales of taxable services for use or consumption in Saskatchewan must register for the PST.

It's also important to remember that, when a consumer acquires a taxable property or service from a non-resident supplier who is not registered, the consumer is required to self-assess and remit tax on the value of the property or service acquired.

### IMPACTS OF THESE CHANGES

It is essential for any corporation with sales in Saskatchewan to assess the impact of these changes to determine whether or not it is required to register in that province and take appropriate action to collect the tax.

It should be noted that the Government of Saskatchewan has updated two bulletins: Notice 2017-20 "Non-Resident Vendors - Provincial Sales Tax (PST) Registration" and PST-5, "General Information," which provide more detailed information on the changes made.

Don't hesitate to contact your Raymond Chabot Grant Thornton advisor who can help you determine which measures apply to your situation and assist you with the steps needed to benefit from these measures.

For further information, visit our website at [rcgt.com](http://rcgt.com).