

TAX INTERPRETATION NUMBER: RTA 10-06

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Revenue Tax Guide

Subject:
Application of Revenue Tax to Purchases by Veterinary Clinics

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TBA

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Reference:

Revenue Tax Act
Regulations to the *Revenue Tax Act*

Introduction

The purpose of this tax guide is to provide information on the application of revenue tax (PST) to purchases by veterinarians. The guide is also applicable to other animal service providers, including but not limited to, pet stores, kennel operation, pet groomers and vendors who sell pet food and pet supplies.

TAX APPLICATION:

Purchases made by Veterinarians and other animal Service providers

All taxpayers are required to pay PST on taxable goods that are purchased for their own use or consumption. PST will generally be paid to the supplier at the time of purchase when the purchase is made on PEI. In the following situations, however, PST must be self assessed and paid:

- Taxable goods purchased on PEI on which no PST was paid at the time of purchase;
- Taxable goods purchased out of province.

Self assessed PST amounts are to be reported in the "Tax on Purchases" section of the monthly vendor return. PST is due on the cost of the taxable good including GST and any freight or shipping charges to bring the good into PEI.

The list below, although not exhaustive, provides examples of taxable goods which may be used in veterinary care or other animal service provider environments:

- Advertising material (such as flyers and brochures)
- Hospital equipment
- Office equipment (desks, tables, chairs, filing cabinets, furniture, adding machines, fax machines, shredders, photocopiers, etc)
- Office supplies
- Trailers
- Motor vehicles
- Animal cages
- Antiseptics/cleaning supplies used to clean the animals, cages or clinic
- Pet food for feeding animals housed at the clinic
- Goods purchased to be given away as promotional items
- Repairs, including parts and labour, to any taxable good

FURTHER INFORMATION

This guide is prepared for information purposes only, and should not be considered a substitute for the applicable statutes. Should there be any conflict between the contents of the guide and the statutes, the statutes shall prevail.

For copies of the *Revenue Tax Act* and Regulations and any inquires regarding this Revenue Tax Guide, please contact:

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