



PST Refunds on PAC-Funded Purchases

Provincial Sales Tax Act

This bulletin provides information on the provincial sales tax (PST) refund available for certain goods and software purchased with funds raised by parents' advisory councils (PACs).

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Definitions

In this bulletin:

- an **authority** is a board of education or a francophone education authority, as defined in the *School Act*
- a **PAC** is a parents' advisory council established under the *School Act*
- **PAC-raised funds** means
 - funds raised directly by the PAC through its fundraising activities,
 - cash donations made directly to the PAC, and
 - government funding provided directly to the PAC.

Note: PAC-raised funds does not include funds provided to the PAC by an authority directly or indirectly (e.g. by a relevant school).

- a **relevant school** is a school, a francophone school or a provincial school, as defined in the *School Act*
- a **school year** is the period beginning on July 1 and ending on the following June 30

Who Qualifies for a Refund

PACs and authorities can apply for a refund of PST paid on qualifying goods and software purchased in whole or in part with PAC-raised funds (see How to Apply for a Refund below).

The amount of the refund depends on the portion of the purchase price and PST paid with PAC-raised funds (see Calculating the Refund below).

Qualifying Goods and Software

To be eligible for this refund, the goods or software must be:

- purchased in whole or in part with PAC-raised funds, and
- for school or student use at the relevant school for which the PAC is established.

Examples of items that may qualify are:

- computers
- science lab equipment
- sports equipment
- furniture and appliances
- awards for students

A refund does not apply for PST paid on:

- leased goods
- related services, such as repairs and maintenance
- goods or software the PAC uses for itself or sells to raise funds

Please note: Some school supplies are exempt from PST. For more information, see [Bulletin PST 202](#), *School Supplies*. Also, goods and software purchased for the sole purpose of resale are exempt from PST. For more information, see [Bulletin PST 200](#), *PST Exemptions and Documentation Requirements*.

Playground Equipment

If you enter into a contract under which a contractor will supply and install playground equipment that will become part of real property once installed (e.g. climbing structures, swing sets), the contractor must pay PST on the goods they use to fulfil the contract. You do not pay PST on your charge for the contract unless you (the customer) and the contractor have entered into an agreement that specifically states, in writing, that the customer is liable for the PST on the goods. You cannot apply for a refund of PST if the contractor paid the PST.

For more information, see [Bulletin PST 104](#), *Real Property Contractors*.

Calculating the Refund

If a PAC Fully Funds an Eligible Purchase

If a PAC fully funds an eligible purchase (i.e. the purchase price of the good or software and PST are paid for wholly with PAC-raised funds), the refund is equal to the total amount of PST paid on that purchase.

If a PAC Partially Funds an Eligible Purchase

If a PAC shares the cost of an eligible purchase, the amount of PST refunded is calculated using the following formula:

$$\text{PST refund} = \text{PST paid} \times [\text{PAC funds} / (\text{purchase price} + \text{PST paid})]$$

PAC funds is the total amount of PAC-raised funds the PAC used to purchase the goods or software.

Example:

A PAC uses \$700 of PAC-raised funds towards the purchase of a computer that has a purchase price of \$1,000 before taxes:

Purchase price of the computer	\$1,000
7% PST	\$ 70
5% GST	\$ 50
Invoice Total	\$1,120
PAC funds	\$ 700

PST refund = $\$70 \times [\$700 / (\$1,000 + \$70)]$

PST refund = \$45.79

Please note: The GST and the Invoice Total amounts are not used in the calculation.

How to Apply for a Refund

To apply for a refund, PACs and authorities must complete an *Application for Refund of Provincial Sales Tax (PST) Paid on PAC-Funded Purchases (FIN 355/PAC)* and provide all the supporting documentation listed in the instructions to the form. Claims must be sent by mail or courier to the address shown on the application form.

When a PAC Must Apply

A PAC must apply for the refund if the PAC, a parent in the PAC, the relevant school or an employee of the relevant school purchases the goods or software using PAC-raised funds. As part of the application:

- an officer of the PAC must sign a statement
 - certifying that PAC-raised funds of the PAC were used to purchase each good and software, and
 - authorizing the director to discuss the application with the relevant school
- an administrator of the relevant school must certify each good and software is for use at the relevant school for school or student use

When an Authority Must Apply

An authority must apply for the refund if the authority purchases the goods or software using PAC-raised funds. As part of the application:

- an administrator of the authority must sign a statement
 - certifying that each good and software is for use at the relevant school for school or student use,
 - certifying that PAC-raised funds of the PAC were used to purchase each good and software, and
 - authorizing the director to discuss the application with the PAC and the relevant school
- the authority must submit proof that the PAC provided PAC-raised funds directly to the authority for the purpose of purchasing each good and software

Limitations

Applications for a refund must be received by the ministry within four years of the date that the tax was paid. For example, if a PAC paid PST on an eligible purchase on August 17, 2014, the ministry must receive the PAC's refund application by August 16, 2018.

There is a limit on the number of refund applications that may be submitted by a PAC or an authority in a school year.

- A PAC may apply for a refund only **once** each school year
- An authority may apply for a refund only **twice** each school year

However, a PAC or an authority may make an additional claim for a refund if the application is received within 6 months before the four-year limitation date for that application.

The ministry cannot issue a refund of less than \$10.



Need more info?

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Email: CTBTaxQuestions@gov.bc.ca

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

References: *Provincial Sales Tax Act*, sections 1 "parents' advisory council", "software", 162 and 165; Provincial Sales Tax Exemption and Refund Regulation, sections 1 "francophone school", "Part 3 software", "Part 4 software", "Provincial school" and 122.