

## PST Refunds on PAC Purchases

### *Social Service Tax Act*

Effective June 30, 2002, a refund of the social service tax (PST) is available for certain goods bought with funds raised by Parent Advisory Councils (PACs). This bulletin explains what PAC-raised funds are, who is eligible for a refund and how to apply for it.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations can be found on the web at [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb)

For general PST information that applies to all businesses, such as who needs to register, when general exemptions apply, and how to charge and collect the PST, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#).

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- **Who qualifies for a refund?**
- **What if a PAC partially funds a purchase?**
- **How to apply for a refund**

### REFUND LIMITATION PERIOD CHANGE EFFECTIVE MAY 1, 2007

The limitation period for refund applications has been changed from six years to four years effective May 1, 2007. Therefore, the limitations for refund applications received by the ministry are as follows:

- On or **before April 30, 2007**, the maximum refund period you can claim is six years from the date the taxes were paid.  
**Please note:** PAC refunds have been in effect less than six years. Therefore, you can claim a refund back to, and including, July 1, 2002.
- On or **after May 1, 2007**, the maximum refund period you can claim is four years from the date the taxes were paid.

For example, if you have an outstanding refund claim relating to tax paid between July 1, 2002 and May 1, 2003, your refund claim must be received by **April 30, 2007**.

For refund claims filed with the ministry before May 1, 2007 relating to refunds that qualify for the six year limitation period, you must retain all the records necessary to support the full period of the claim.

### WHO QUALIFIES FOR A REFUND?

PACs and school boards can apply for a PST refund on certain goods bought with PAC-raised funds.

PAC-raised funds are funds that PACs raise through their fundraising activities. Government grants, including gaming funds, paid directly to PACs are also PAC-raised funds. Contributions from a school or school board are not PAC-raised funds.

A PAC must apply for a refund if the PAC, or a parent in the PAC, pays for the items. A PAC can apply for a refund once each school year.

A school board must apply for the refund if the school board or a school pays for the items using PAC-raised funds. A school board can apply for a refund twice in each school year.

#### **Which PAC-funded purchases qualify?**

Items bought with PAC-raised funds and given to a school for school or student use qualify for a refund of the PST.

Here are some items that qualify for a refund:

- playground equipment
- computers
- science lab equipment
- sports equipment
- furniture and appliances
- award for students

In order to receive a refund, the price of the item and the amount of PST applied must be shown separately on the invoice.

These items do not qualify for a refund:

- leased or rented items
- taxable services such as repairs and maintenance
- items the PAC uses for itself, or sells to raise funds

## WHAT IF A PAC PARTIALLY FUNDS A PURCHASE?

If a PAC shares the cost of an item with a school board, only part of the PST is refunded. The percentage a PAC pays of the total price (price including the PST) is calculated and the same percentage of PST paid is refunded.

To find the percentage that a PAC paid of the total, divide the PAC-raised funds contributed by the total price (price including the PST) of the item bought, using this formula:

$$\frac{\text{PAC-raised funds}}{\text{Price} + \text{PST}} = \% \text{ PAC paid}$$

The refund amount is determined by multiplying the % the PAC paid by the amount of PST paid. This is how a refund is calculated when a PAC pays \$700 towards the purchase of a computer, assuming the following information:

Price of the computer	\$1,000
7% PST paid	\$ 70
7% GST paid	\$ 70
Invoice Total	\$1,140
PAC-raised funds	\$ 700

$$\% \text{ PAC paid} = \frac{\$700}{\$1,070} = 65\%$$

$$\text{Refund amount} = 65\% \times \$70 = \$45.50$$

In this example, as the PAC paid 65% of the total price including the PST, 65% of the PST paid (\$45.50) is refunded.

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

## HOW TO APPLY FOR A REFUND

PACs and school boards must use the *Refund of Social Service Tax: PAC Funded Purchases for Schools* form (**FIN 413/PAC**) to apply. This form is available on our website at

[www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb)

Please summarize the invoices being claimed on the form. If convenient, a separate summary sheet indicating the name of the PAC or school board can be used instead, and the invoices can be summarized using a table.

Refunds must be claimed within six years (four years effective May 1, 2007) of when the tax was paid.

### Refunds for PACs

PACs can apply for a refund for qualifying items they purchase with PAC-raised funds. Invoices for these items should be made out to the PAC.

If invoices are not made out to the PAC, the PAC must send copies of the cheques used to pay those invoices. These cheques must be made payable to the companies on the invoices.

When a PAC applies, the following documents are needed:

- completed application form,
- **original** invoices for the items listed, and
- copies of cheques used to pay invoices that are not made out to the PAC, if applicable.

### Refunds for school boards

School boards can apply for a refund if they buy the qualifying items with PAC-raised funds, or if the PAC has reimbursed them for the items.

When a school board applies, the following documents are needed:

- completed application form,
- **original** invoices for the items listed, and
- receipts issued to PACs for funds received if the certification on the application (Part D) is not signed.

A school board can send in copies of the receipts issued to the PACs instead of having the PACs sign the certification on the application. These receipts show that a PAC paid for the items listed on the application form. If these receipts are for an amount less than the price of the items including PST, a partial refund is issued, as explained in the above section, What if a PAC Partially Funds a Purchase?

Please mail the completed application form, original invoices and your supporting documents to:

Consumer Taxation Branch  
Refund Section  
PO Box 9628 Stn Prov Govt  
Victoria BC V8W 9N6

Original invoices are returned after the application has been processed.

### **NEED MORE INFO?**

**This bulletin is provided for convenience and guidance.**

**If you have any questions, call us at 604 660-4524 in Vancouver or call toll-free at 1 877 388-4440, or e-mail your questions to [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)**

**Information is also on the web at [www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr) While there, you can subscribe to our free electronic update service.**

**References:** *Social Service Tax Act*, Section 80, 88.1 and Regulations 14.1, 14.2

**APPLICATION FOR  
SOCIAL SERVICE TAX REFUND  
ON PAC-FUNDED PURCHASES**  
pursuant to the *Social Service Tax Act*

**INSTRUCTIONS:**

- Please refer to [Bulletin SST 116 PST Refunds on PAC Purchases](#) when completing this form.
- Complete all applicable parts, A, B, C, D and E.
- A refund must be claimed within four years of the payment of tax.
- Send the completed application form, original invoices and other documents to the above address.
- If you need more information, please visit our Web site at [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb) or call us in Vancouver at 604 660-4524 or toll-free at 1 877 388-4440.
- Please note: We do not provide a refund for a total claim of \$10.00 or less.

**Freedom of Information and Protection of Privacy Act (FOIPPA)**

The personal information on this form is collected for the purpose of administering the *Social Service Tax Act* under the authority of both this Act and section 26 of the *FOIPPA*. Questions about the collection or use of this information can be directed to the Information and Privacy Analyst, FOI Section, Ministry of Small Business and Revenue, PO Box 9432 Stn Prov Govt, Victoria, BC V8W 9N6. (Telephone: Victoria at 250 953-3671, Vancouver at 604 660-2421 or toll-free at 1 800 663-7867 and ask to be re-directed.)  
**Email: [FOI.QRYS@gov.bc.ca](mailto:FOI.QRYS@gov.bc.ca)**

**PART A – Applicant Information**

NAME OF PARENT ADVISORY COUNCIL (PAC) OR BOARD OF EDUCATION			SCHOOL DISTRICT NO.
MAILING ADDRESS		DAYTIME PHONE NO. ( )	
CITY	PROVINCE	POSTAL CODE	FAX NO. ( )

**PART B – Invoice Information**

Please summarize the invoices you are including with this application. If you need more space, please use an additional sheet or create your own summary sheet and attach it to this application.

*Note: All original invoices **must** be submitted with this application.*

\* If a PAC shared the cost of an item with a board of education, please see section **“What if a PAC Partially Funds a Purchase?” Bulletin SST 116** to calculate the amount of PST refund to claim.

DESCRIPTION OF PURCHASE	SELLER	INVOICE DATE	INVOICE NO.	INVOICE TOTAL (\$)	PAC-RAISED FUNDS CONTRIBUTED (\$)	PST REFUND BEING CLAIMED (\$)*
<b>Total PST Refund Being Claimed</b>						<b>\$</b>

**PART C – Must be completed for a PAC Application**

When a PAC applies, an administrator of the school must sign this statement.

I, \_\_\_\_\_ an administrator for, \_\_\_\_\_ school certify that the goods listed above were given to the school for its use, or for students' use.

SIGNATURE <b>X</b>	TITLE	DATE SIGNED YYYY / MM / DD
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**PART D – Must be completed for a Board of Education Application**

When a board of education applies, either the PAC must sign this statement **or** the board of education must submit proof (receipts issued to the PAC or copies of PAC's cancelled cheques) that PAC funds paid for these purchases. Please see section **“How to Apply for a Refund” Bulletin SST 116**.

I, \_\_\_\_\_ an officer of the PAC for \_\_\_\_\_ school, certify that the PAC provided the funds for the items listed above.

SIGNATURE <b>X</b>	TITLE	DATE SIGNED YYYY / MM / DD
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**PART E – CERTIFICATION**

The representative for the PAC or board of education completing this application must sign this statement and include their contact information.

I, \_\_\_\_\_ an officer of the PAC or an authorized person of the board of education named above, certify that the information given on this form and in any documents attached is, to the best of my knowledge, accurate and complete. Refunds for these items have not been claimed previously, and I am authorized to sign on behalf of the PAC or the board of education. I understand that false statements may result in tax assessments, fines and/or penalties.

SIGNATURE <b>X</b>	PRINT NAME	TITLE	CONTACT PHONE NO. ( )	DATE SIGNED YYYY / MM / DD
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