

THE RETAIL SALES TAX ACT

PRECIOUS METALS, COINS, TOKENS AND BANK NOTES

This notice contains information that will assist vendors of precious metals in applying Manitoba retail sales tax (RST) to sales of gold, silver and platinum bullion. It also outlines the application of tax to coins, trade dollars, tokens and bank notes.

GOLD, SILVER AND PLATINUM BULLION

- Gold, silver and platinum bullion sold in bar, wafer and ingot form are not subject to RST when they are sold as investments. Gold, silver and platinum certificates are also exempt. Bullion purchases are considered to be investments when **all** the following conditions are met:
 - The bullion is in bar, wafer or ingot form, without any markings other than the basic identification (weight, purity, serial number, name/symbol/markings of refiner);
 - the bullion is pure gold, platinum or silver (contains a minimum of 99.5% pure gold or platinum or 99.9% pure silver);
 - the selling price fluctuates with the current market value of the bullion;
 - the seller's premium or handling charge is stated separately on the invoice and is comparable to those usually charged in the bullion market (e.g. by banks);
 - a minimum of 1 oz. of bullion is sold per transaction; and
 - the bullion is not packaged in such a way as to be perceived as a collector's item.
- Bullion sold in any other circumstances is taxable at the full selling price, including any premium, handling fee or other charge in connection with the sale (excluding GST).

COINS AND BANK NOTES

- Coins and bank notes that are used as currency and trade at a price that does not exceed their face value are exempt from RST. When they are sold at a price that exceeds their face value, the sale is subject to RST.
- Canadian Maple Leaf bullion coins that are pure gold, silver or platinum (in the purities noted above) are not subject to RST when the selling price fluctuates with the current market value of the bullion. The seller's premium or handling charge must also be stated separately on the invoice and be comparable to those usually charged in the bullion market.
- Special issue maple leaf coins and bimetallic maple leaf coins that are not legal tender are taxable when sold at any price.

COMMEMORATIVE COINS, TRADE DOLLARS AND TOKENS

- Commemorative coins, tokens and trade dollars that are used as currency in a specified geographic area and are sold at a price not exceeding their stated face value are exempt from RST. These items are usually associated with an event or occasion. The exemption applies to the initial purchase by the sponsoring organization, their circulation and use at face value, and their redemption at face value.
- Where the coins, tokens or trade dollars are sold at any time at a price above the face value, the sale is taxable. Sales of these items (at any price) outside the specified geographic area or at any time after they can no longer be used as currency are also taxable.

FURTHER INFORMATION

This bulletin is intended to serve as a guideline and is not all-inclusive. For the specific wording of the law, please refer to the *Retail Sales Tax Act and Regulations*. Further information may be obtained from:

Winnipeg Office

Manitoba Finance
Taxation Division
101 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone (204) 945-5603
Manitoba Toll-Free 1-800-782-0318
Fax (204) 945-0896

Westman Regional Office

Manitoba Finance
Taxation Division
314, 340 - 9th Street
Brandon, Manitoba R7A 6C2
Fax (204) 726-6763

E-mail: MBTax@gov.mb.ca

ONLINE SERVICES

Our Web site at manitoba.ca/finance/taxation provides tax forms and publications about taxes administered by Taxation Division, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting the Taxation Division.

Our online service at manitoba.ca/TAXcess provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.