

THE RETAIL SALES TAX ACT

PET STORES, KENNEL OPERATORS & PET SERVICE PROVIDERS

This bulletin provides information to help pet stores, kennel operators and pet-service providers apply the retail sales tax (RST) on their sales of pet animals and pet services and supplies.

- General information**
- Retail sales of animals (except as listed below) and related services are subject to RST.
 - Businesses whose operations include taxable sales of domestic pets, pet supplies and/or related services listed below must register with the Taxation Division and collect the 7 per cent RST on the total selling price.

Taxable sales THE SALE OF THE FOLLOWING IS SUBJECT TO TAX:

- All animals, including domestic pets, guard dogs, horses and other working animals, **but not**:
 - farm livestock raised or kept commercially to produce food for human consumption or for the sale of their hides, hair or furs
 - dogs that are trained specifically to assist physically disabled persons
 - horses purchased for farm use; race horses
- Pet food (including dietary or prescription food)
- Vitamins and dietary supplements
- Drugs and medicaments for pets
- Grooming services for pets such as washing, cutting, clipping, trimming, etc.
- Collars, leashes, cages and other pet supplies

Exempt sales THE SALE OF THE FOLLOWING IS NOT TAXABLE:

- Boarding or training of pets
- Breeding services that do not include the sale of an animal
- Veterinary and other services to treat pets for disease or illness
- Animal burial, cremation and disposal services

Animal shelter and adoption agencies The fee that charitable or non-profit organizations charge when placing an animal in a new home is generally a recovery of costs for providing interim shelter, care, veterinary and adoption services to the unwanted animals. This type of transaction is not regarded to be a sale and is exempt from RST.

Note: Revisions to contents of previous Bulletin (July 2014) have been identified by shading ().

Purchases by pet stores, kennels, etc.

- Businesses such as pet stores, kennel operators and service providers may purchase the following items tax exempt by quoting their RST number to the supplier:
 - Animals and other supplies that are for resale
 - Pet food, drugs and medicaments and grooming services that are used for caring of the animals before sale
- Businesses that provide **taxable** grooming services (washing, cutting, clipping, trimming, etc.) are required to pay RST on their purchases of equipment and tools used in providing those taxable services. Examples include shears, brushes, nail clippers, hair clippers etc.) However goods that come in direct contact with the animal, have a transformative effect while in direct contact and are consumed completely in the performance of a taxable grooming service can be purchased exempt by quoting their RST number to the supplier. Examples include shampoo, replacement razor blades, clipper blades and clipper blade sharpening.
- Businesses that provide exempt services listed above must pay the RST on their purchases of pet food, drugs and medicaments and any other supplies used to provide these services. If the tax was not paid on these items when purchasing them, businesses must self-assess the tax and remit it to the Taxation Division.
- Kennel operators, pet stores and service providers must pay RST on their purchases of equipment, tools, furniture and fixtures, office equipment and other items used by them in the operation of their business.

Small operators not required to register to collect and remit RST

Small operators with annual taxable sales under \$10,000 are not required to register and collect RST. Instead these businesses are required to pay RST on all their purchases of goods and services for their own use and for resale. See Information Notice *Registration Requirement Eliminated for Small Businesses* for additional information.

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) 948-2087

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.