



Provincial Sales Tax (PST) Notice

Notice 2019-005

Issued: November 2019

Revised: July 2023

Notice to Sellers of Vapour Products PST Rate Increase to 20% Provincial Sales Tax Act

Latest Revision: The revision bar (|) identifies changes to the previous version of this notice dated December 2019. For a summary of the changes, see Latest Revision at the end of this document.

The rate of PST on vapour products increased from 7% to 20% effective January 1, 2020.

This notice explains how the new PST rate applies and steps you must take to prepare for the PST rate change.

What Are Vapour Products

Vapour products are:

- Vaping devices
- Cartridges, parts and accessories for these devices
- Vaping substances

Note: Heated tobacco products are not vapour products.

Vaping Devices

Generally, a vaping device is a device that is used to inhale a variety of vaping substances. Most vaping devices consist of a mouthpiece, a battery, a cartridge for a vaping substance, and a heating component.

Examples of vaping devices are:

- Electronic cigarettes (e-cigarettes)
- E-hookahs
- Heat-not-burn devices for use with heat-not-burn tobacco products

- Mods
- Pod systems
- Vape pens

Vaping devices may be single use or refillable.

Note: Dry herb vaporizers (e.g. vaporizers used with dry cannabis) remain subject to 7% PST.

Vaping Substances

A vaping substance may be a solid, liquid or gas that is designed for use in a vaping device and, when heated, produces a vapour. Vaping substances may or may not include nicotine.

Cannabis e-juice (cannabis in a liquid form designed for use in a vaping device) is a vaping substance. Dried cannabis flowers, cannabis extracts not designed for use in a vaping device (e.g. oils designed for oral consumption), edible cannabis products, and topical cannabis products remain subject to 7% PST.

Examples of vaping substances are:

- E-juice (for use with pens, mods; may contain nicotine, or cannabis, or may contain no active ingredients)
- Pods (for use with pod systems)

Tax Rates

Effective January 1, 2020, you must charge and collect PST at a rate of 20% on retail sales and leases of vapour products. This means you must make all necessary changes to your billing and invoice systems to reflect the rate change from 7% to 20% on January 1, 2020.

Goods and Services Tax (GST)

Generally, when GST is payable on a good on which PST is also payable, the PST amount is not included as consideration for the purposes of calculating the GST. However, with the 20% PST rate that applies to vapour products, the PST amount is included in the consideration for the purposes of calculating the GST. For GST information, see canada.ca/en/services/taxes



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

Latest Revision

July 2023

- Clarified that heated tobacco products are not vapour products
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