

THE PROVINCIAL SALES TAX ACT

DRILLING RIG RELATED EQUIPMENT PST REMISSION

This notice has been prepared to assist you in understanding the application of Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

An amendment to *The Provincial Sales Tax Regulations* has been made to provide a new PST exemption on pipe racks and certain structures described below, when used substantially in the oil and gas industry and other qualifying activities and capitalized in the drilling or service company's records.

Effective retroactively to April 1, 2017, the PST exemption for drilling rigs, service rigs and related equipment, as outlined in Information Bulletin [PST-13, Petroleum Drilling & Well Servicing Contractors](#), includes:

- pipe racks;
- structures used to house the following exempt drilling and servicing equipment:
 - circulating systems (mud pump, mixer and tank);
 - blowout prevention systems (blowout preventer and manifold), including system controls;
 - boilers;
 - shale shakers and shaker tanks; and,
 - engine and generator sets that power drilling rigs or service rigs.

PST continues to apply to the following:

- Doghouses that are not affixed to the rig;
- Storage buildings/structures such as tool shacks that store equipment when not in use; and,
- Locker rooms, change rooms, and lunchrooms, etc. that do not house any of the exempt drilling and servicing equipment listed above.

Claiming a Refund

Where PST has been paid on pipe racks or the eligible structures listed above, the taxpayer may [Apply for a PST Refund Using SETS](#), and must provide supporting documentation.

Note: Refund claims must typically be submitted within four years of paying the PST. However, PST paid between April 1, 2017, and March 31, 2023, on pipe racks or the eligible structures listed above, is eligible for refund providing the refund application is received in our office on or before March 31, 2025.

Further information on applying for a PST refund may be found at saskatchewan.ca/pst.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

Government website: Saskatchewan.ca