

BC's PST Expansion: What Businesses *Need to Know*

New taxes on essential services: Understanding the impact and what comes next

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Budget 2026 expands the Provincial Sales Tax (PST) to professional services for the first time, including things like accounting, security and engineering. These are services almost every business in BC uses. The government's rationale is that BC's economy has shifted toward services, many of which have never had provincial tax applied. Here are the need-to-know details.

WHAT CHANGED

Starting October 1, 2026, a 7% PST will apply to services that were previously untaxed:

- **Accounting and bookkeeping** (7% on the full fee)
- **Architectural services** (7% applied to 30% of the fee)
- **Engineering and geoscience services** (7% applied to 30% of the fee)
- **Security and private investigation services** (7% on the full fee)
- **Rental property and strata management** (7% on the full fee)
- **Non-residential real estate commissions** (7% on the full fee)

WHAT THIS LOOKS LIKE ON THE GROUND

Every business is different, but here are a few examples of how these changes could show up:

YOU OWN A RETAIL SHOP

You pay a bookkeeper to manage your accounts and a security company to protect your store. Starting October 1, both of those services carry a 7% PST charge. You can't claim it back. It's a straight cost increase, and it adds up.

YOU MANAGE COMMERCIAL PROPERTY

Property management and strata services are now taxed. Whether you pass that cost to tenants or absorb it yourself, your bottom line looks different after October 1.

YOU RUN A DEVELOPMENT COMPANY

Engineering and architectural services are now taxed, even if at a partial rate. Across a major project with significant professional service fees, that compounds quickly.

YOU ARE AN ACCOUNTANT OR ENGINEER

You are now required to register for PST, charge it to your clients, and remit it to the province. That means new administrative obligations regardless of your business size.

WHAT IT MEANS FOR YOUR BUSINESS

A cost you can't recover. BC's PST is non-refundable. Unlike GST and HST systems in other provinces, businesses can't claim it back. The tax piles up at every stage rather than being paid once by the end consumer. This is what people mean when they call it a "tax on a tax."

A hit to competitiveness. In Alberta, there is no provincial sales tax at all. In provinces using HST, businesses can recover what they pay. BC's PST is already the least competitive sales tax structure in Canada, and this expansion compounds that disadvantage.

New administrative obligations. Businesses that provide newly taxed services must register for PST, charge it to clients, and remit it to the province. New filing requirements and compliance costs apply regardless of business size.

WHAT TO DO NEXT

- **If you provide newly taxable services:** Begin preparing to register for PST. Registration opens April 1, 2026, six months before the changes take effect.
- **Review your contracts:** PST applies based on when services are performed, not necessarily when invoiced. Timing matters.
- **Model the cost impact:** Estimate what the new costs mean for your bottom line before October 1. For businesses relying heavily on accounting, engineering, or security services, the annual impact can add up quickly.
- **Make your voice heard:** Your local chamber of commerce is your channel. Share how this affects your business. Member voices shape the BC Chamber's advocacy and ongoing engagement with government on this issue.

The BC Chamber of Commerce has signed a joint statement with 18 industry organizations calling on the province to reconsider this expansion. The changes still require Royal Assent before they take effect, which is the formal step where the Lieutenant Governor signs the legislation into law. That window remains open. We will continue to update you as this develops.

For a more detailed breakdown of the PST expansion, visit bcchamber.org/news.