

# Policy Note



February 25<sup>th</sup>, 2026

## Applying the Provincial Sales Tax (PST) to Professional Bookkeeping Services and the Impact on British Columbia's Small Businesses

### **Issue:**

The recent provincial budget expands British Columbia's provincial sales tax (PST) to include professional services such as accounting, bookkeeping, architecture, engineering, and others that were previously exempt. This change takes effect October 1, 2026.

### **Recommendation:**

- CPB Canada urges the Minister of Finance to exempt bookkeeping services from the newly expanded PST.
- At a minimum, the government should consult with CPB Canada and other stakeholders to assess the tax's economic impact and explore alternatives that do not penalize micro businesses, non-profits, and small enterprises from accessing essential financial expertise.

### **Key Messages:**

- A 7% tax on non-discretionary services like bookkeeping will strain small businesses, increasing costs and risks of financial mismanagement, non-compliance, and business instability across the province.
- This move disproportionately affects entrepreneurs who can least afford it by adding a new financial barrier and the administrative burden of registering for PST collection before October 1. In BC's unique entrepreneurial landscape, with its high proportion of independent and micro-enterprises, the government should seek a more carefully tailored solution rather than a policy that risks penalizing those who make up the province's economic backbone.
- Certified Professional Bookkeepers were vital in helping small businesses survive the pandemic by advising on new and emerging support programs, managing cash flow, and adapting their operations. Imposing a new tax on these essential services during a fragile recovery undermines business resilience. It adds unnecessary burden at an uncertain time.

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## **Background:**

- Stakeholders, like the Canadian Federation of Independent Business, said this tax sends the wrong message to entrepreneurs and contradicts the goal of keeping B.C. "open for business." While intended as a short-term revenue fix during a record deficit, the long-term harm to small business stability and growth may far outweigh any fiscal benefit. Targeting services that SMEs rely on risks discouraging entrepreneurship and business investment in B.C.
- Applying the complete 7% PST to bookkeeping and assurance services, unlike the partial tax on architectural and engineering services, creates a financial barrier for the smallest businesses and adds administrative costs for practitioners, who must register for PST collection before October 1, 2026. This measure disproportionately affects SMEs that rely on these essential supports.
- Micro and small businesses operate on tight budgets and cannot afford in-house financial staff, so they often rely on Certified Professional Bookkeepers for their financial management and compliance support. While the government cites alignment with other provinces, B.C.'s landscape of independent and micro-enterprises demands tailored solutions. A one-size-fits-all policy risks penalizing the businesses that drive B.C.'s economy.
- Small businesses fuel B.C.'s economy, driving innovation, jobs, and local prosperity. While generating revenue is essential, taxing financial management/support and compliance services undermines the foundation of good business practice. Entrepreneurs need access to accurate financial advice to grow and hire confidently. Raising costs for these essential services risks weaker oversight, more business failures, and a less dynamic economy. The long-term harm to small business growth could outweigh any short-term tax revenue.

## **Sources:**

1. Vancouver City News Article: "B.C. Budget 2026: Business groups criticize expansion of PST base." Vancouver City News. February 17, 2026. [Source](#)
2. B.C. Government PST Notice: "Notice 2026-001: Notice to providers of professional services." Government of British Columbia. February 18, 2026. [Source](#)