

## Plastic Bags Sold by Retailers

### Minimal Sale Exemption

Sales of taxable goods in Ontario are subject to Retail Sales Tax (RST) unless the total charge for all taxable goods sold as part of the same transaction is less than 21 cents.

### Calculation of Tax

Plastic bags are subject to RST if the total amount of the taxable goods, including the bags, is 21 cents or more. For example, a customer buys the following:

chocolate bar	\$1.00	(taxable)
bananas	1.50	(exempt)
apples	2.00	(exempt)
2 plastic bags	0.10	(taxable)
Total	<u>4.60</u>	

RST applies to the total amount of the taxable goods rounded to the nearest cent (\$1.10 x 8 per cent = 9 cents).


Plastic bags are not subject to RST if the total amount of the taxable goods, including the bags, is less than 21 cents. For example, a customer buys the following:

1 sour ball candy	\$0.10	(taxable)
1 carton of milk	3.99	(exempt)
1 plastic bag	0.05	(taxable)
Total	<u>4.14</u>	


No RST applies since the total amount of the taxable goods is less than 21 cents.

## More Information

If you need more information on this topic please contact us.

 Telephone:  
1 866 ONT-TAXS (1 866 668-8297)  
Teletypewriter (TTY) 1 800 263-7776

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 Written Interpretation:  
To obtain a written interpretation on a specific situation not addressed in this publication, please send your request in writing to:

Ministry of Revenue  
Tax Advisory Services Branch  
Retail Sales Tax Section  
33 King Street West, 3rd Floor  
Oshawa ON L1H 8H5