

## Product Stewardship Fees

### About this Notice

This notice explains how Retail Sales Tax (RST) applies to product stewardship fees passed on to consumers.

### Background

On July 1, 2008, the Municipal Hazardous or Special Waste (MHSW) Program commenced under the direction of Stewardship Ontario. This waste diversion initiative encourages the re-use and recycling of products that are potentially hazardous or require special handling for safe end-of-life management.

### Fees Payable Under the MHSW Program

To cover the cost of the program, a product stewardship fee is imposed by Stewardship Ontario on industry stewards (brand owners, first importers or franchisors) that distribute or sell products such as paint, antifreeze, pesticides, single use batteries, etc.

RST does not apply to the fee payable to Stewardship Ontario as the organization is not providing taxable goods or taxable services.

### Fees Passed on to Retailers

If industry stewards choose to recover this cost by passing it on to retailers who purchase these products, it forms part of the fair value of the products sold. Retailers purchasing products for resale may purchase them exempt from RST by providing their suppliers with a Purchase Exemption Certificate.

### Fees Passed on to Consumers

If retailers choose to recover this cost by passing it on to their customers in the form of higher prices or as a separate charge on the customer's invoice, it forms part of the fair value of the taxable product and/or service provided and is subject to RST at a rate of 8 per cent. Retailers are required to charge, collect and remit RST on the total selling price of any taxable goods and/or services sold.

### For More Information

The information in this notice is only a guideline and does not replace the legislation.

To obtain additional RST information, please contact the Ontario Ministry of Revenue at 1 866 ONT-TAXS (1 866 668-8297), Teletypewriter (TTY) 1 800 263-7776, or visit our website at [ontario.ca/revenue](http://ontario.ca/revenue).

For more information on product stewardship fees paid under the MHSW program visit the Stewardship Ontario website at [www.stewardshipontario.ca](http://www.stewardshipontario.ca).

