



Application of the GST/HST to Lift Chairs

This info sheet explains how the goods and services tax (GST)/harmonized sales tax (HST) applies to:

- the sale and lease of lift chairs;
- specially designed parts, accessories and attachments to lift chairs; and
- services relating to installing, maintaining, restoring, repairing or modifying lift chairs.

Meaning of significant terms used in this publication

“Consumer” means a particular individual who acquires or imports property or a service for the individual’s personal consumption, use or enjoyment or the personal consumption, use or enjoyment of another individual at the particular individual’s expense. A consumer is not an individual who acquires or imports the property or a service for consumption, use or supply in the course of commercial activities or for making exempt supplies.

“Disability” refers to a long-term impairment lasting at least 12 months that restricts an individual in carrying out his or her activities of daily living. The individual’s disability may be congenital, may be the result of an injury or a neuromuscular disorder such as muscular dystrophy or multiple sclerosis, or may result from conditions such as cerebral palsy, paraplegia, amputation, pulmonary disease, heart disease, arthritis, diabetes, and back disorders. An individual with a disability does not include an elderly or frail person who is otherwise able-bodied, or any person who is only temporarily disabled or incapacitated.

“Specified professional” means a person that is entitled under the laws of a province to practise the profession of medicine, physiotherapy or occupational therapy; or a registered nurse.

“Zero-rated” refers to a supply that is taxable at the rate of 0%.

Background

Certain sales or leases of medical and assistive devices are zero-rated in their own right (e.g., supplies of artificial eyes or hearing aids) while other devices are zero-rated only when certain conditions are met (e.g., when specially designed for use by an individual with a disability or when supplied on the written order of a specified professional). Lift chairs are zero-rated when certain conditions are met.

GST/HST relief for lift chairs

Lift chairs are designed to help people who have physical disabilities that make it difficult to sit down and rise up from chairs. The chairs feature electric motors that raise the chair to an elevated position for the purpose of assisting a user to sit down in the chair and also to help the user rise up from the chair.

The sale or lease of a lift chair is zero-rated if it meets the following conditions:

- the lift chair has all the features of a chair;
- the lift chair is specially designed for use by an individual with a disability;
- the lift chair is supplied on the written order of a specified professional for use by a consumer named in the order.

When all these conditions are met, the sale or lease of the lift chair is zero-rated, regardless of where the lift chair is sold. For example, when all the conditions are met, a lift chair sold in a pharmacy or in a general furniture store is zero-rated.

Chair

The Canada Revenue Agency (CRA) considers a “chair” to be a type of seat with a specific form consisting of a base or frame that sits on the ground (often with four legs), a surface area for sitting and, in most instances, a back. A chair generally provides the ideal height and stability that allows the chair to be used on its own by an individual as a seat.

Lifting seats, also commonly known as lifting cushions, generally consist of a cushion or platform attached to a lifting mechanism designed to assist an individual in seating or exiting an existing chair, sofa, bench or theatre seat.

Lifting seats do not have the basic features of a chair and are not designed to be used on their own for sitting. Therefore, lifting seats are not considered to be chairs.

Specially designed for use by an individual with a disability

A lift chair is specially designed if it has design features that assist an individual with a disability to get in and out of the chair independently without which an individual would not be able to do so. A specially designed lift chair includes design features such as:

- a lifting mechanism that raises and slightly tilts the chair to raise the individual from a sitting position to a standing position and back again; and
- the base or frame of the lift chair is stable and remains stationary.

A lift chair that includes these features would be zero-rated even if it had a reclining feature, regardless of how the lift chair is advertised.

Supplied on the written order of a specified professional for use by a consumer named in the order

A lift chair specially designed for use by an individual with a disability is zero-rated if it is supplied on the written order of a specified professional for use by a consumer named in the order. Prior to March 29, 2012, these lift chairs were zero-rated if supplied on the written order of a physician.

Suppliers who supply lift chairs on a zero-rated basis must retain sufficient documentation for the CRA to verify that the sale or lease of the lift chair is made on

the written order of a specified professional for use by a consumer named in the order.

Only lift chairs sold or leased for the personal use of the individual named in the written order qualify for zero-rating.

Lift chairs sold or leased to a hospital, nursing home, long-term care facility or similar facility for use in activities of these facilities are not zero-rated.

The CRA considers a written order as a written instruction or instructions that govern the plan of health care for an individual patient or client.

The written order should contain the individual’s name, the specified professional’s signature, date, and confirmation that the individual has a disability that the features of a specially designed lift chair can address. The written order should be separate from any order form or invoice against which the chair is supplied.

Example of a written order:

I have personally assessed the individual named on this order and based on my assessment of the individual’s needs I have determined that the individual requires for his or her personal use [specify device] described herein.

(Give description of the individual’s condition, e.g., the individual cannot maintain a functional posture in sitting due to paralysis) and full description of the type of device required to meet the needs of the individual as a result of the disability.

Name of the individual

Name and profession of the specified professional

Signature of the specified professional

Date

Specially designed parts, accessories and attachments

Any part, accessory or attachment that is specially designed for a zero-rated lift chair is also zero-rated.

Head pillows, arm/head rests and features such as heat massage are not considered to be specially designed parts, accessories or attachments when supplied separately and therefore are not zero-rated.

Where an individual upgrades the fabric of the chair or acquires additional features at the time of the original purchase, these items are considered part of the original supply of the lift chair regardless of whether the upgrades are listed separately on the invoice.

Example 1

An individual purchases the base model of a lift chair. At the time of purchase, the individual upgrades the fabric of the base model to leather and acquires the heat and massage feature.

The entire purchase would be zero-rated as the fabric upgrade and the heat and massage feature form part of the purchase of the lift chair.

Servicing zero-rated lift chairs

A service of installing, maintaining, restoring, repairing or modifying a zero-rated lift chair, including the supply of any necessary or spare parts, is zero-rated.

Example 2

Last year, an individual purchased a zero-rated lift chair on the written order of a registered nurse. A few days ago, the chair broke and new connector cables, lift motors, and connector pins are needed to repair it.

The repair service for this specially designed lift chair, including labour and the necessary parts, is zero-rated.

A professional maintenance check performed on a zero-rated lift chair is also zero-rated.

Tax paid in error

Where a supplier has charged GST/HST on the sale of a zero-rated lift chair, the supplier may refund or credit the GST/HST to the purchaser. If the supplier refunds or credits the amounts collected as GST/HST, it must do so within two years after the day the amount was charged or collected and it must provide the purchaser with a credit note containing specific information.

Alternatively, purchasers who have paid an amount as GST/HST on zero-rated supplies may claim a rebate of tax paid in error using Form GST189, *General Application for Rebate of GST/HST*. The time limit to apply for this rebate is two years after the day the amount was paid by the purchaser.

For more information, refer to GST/HST Memorandum 12.2, *Refund, Adjustment, or Credit of the GST/HST under Section 232 of the Excise Tax Act*.

This info sheet does not replace the law found in *the Excise Tax Act* (the Act) and its regulations. It is provided for your reference. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate regulation, or contact any CRA GST/HST rulings office for additional information. A ruling should be requested for certainty in respect of any particular GST/HST matter. Pamphlet RC4405, *GST/HST Rulings – Experts in GST/HST Legislation* explains how to obtain a ruling and lists the GST/HST rulings offices. If you wish to make a technical enquiry on the GST/HST by telephone, please call 1-800-959-8287.

Reference in this publication is made to supplies that are subject to the GST or the HST. The HST applies in the participating provinces at the following rates: 13% in Ontario, New Brunswick and Newfoundland and Labrador, 15% in Nova Scotia, and 12% in British Columbia. The GST applies in the rest of Canada at the rate of 5%. If you are uncertain as to whether a supply is made in a participating province, you may refer to GST/HST Technical Information Bulletin B-103, *Harmonized Sales Tax – Place of Supply Rules for Determining Whether a Supply is Made in a Province*.

Effective April 1, 2013, the 12% HST in British Columbia will be replaced by the 5% GST and a provincial sales tax. It is also proposed that, effective April 1, 2013, the provincial sales tax and the 5% GST currently in effect in Prince Edward Island will be replaced by a 14% HST.

If you are located in Quebec and wish to make a technical enquiry or request a ruling related to the GST/HST, please contact Revenu Québec at 1-800-567-4692. You may also visit the Revenu Québec Web site to obtain general information.

All technical publications related to GST/HST are available on the CRA Web site at www.cra.gc.ca/gsthsttech.