



Canada Revenue  
Agency

Agence du revenu  
du Canada

# General Application for GST/HST Rebates

Includes forms GST189, GST288, and GST507

## Is this guide for you?

This guide gives general information and instructions to help you complete Form GST189, *General Application for Rebate of GST/HST*. It describes the circumstances in which you can apply for a number of rebates and the eligibility requirements for each. Keep this guide to help you complete future rebate applications. For information on when you may be eligible to file a general application for rebate of GST/HST, see page 6.

This guide is **not** for you if:

- you are a diplomat or a foreign representative claiming a rebate for the GST/HST you paid on your purchases. Instead, use Form GST498, *GST/HST Rebate Application for Foreign Representatives, Diplomatic Missions, Consular Posts, International Organizations, or Visiting Forces Units*;
- you are a non-resident claiming a rebate of the GST/HST paid on an eligible tour package or you are a non-resident tour operator claiming a rebate for accommodation sold in eligible tour packages. For more information, see Booklet RC4160, *Rebate for Tour Packages, Foreign Conventions, and Non-Resident Exhibitor Purchases*;
- you are a sponsor or a non-registered organizer of a foreign convention or a non-resident exhibitor of a convention claiming a rebate for the GST/HST paid on convention facilities, exhibition space, and/or related convention supplies. For more information, see Booklet RC4160, *Rebate for Tour Packages, Foreign Conventions, and Non-Resident Exhibitor Purchases*;
- you are an employee or a member of a partnership claiming a rebate for the GST/HST you paid on certain employment or partnership-related expenses. For more information, see Guide T4044, *Employment Expenses*, (for employees) or Guide RC4091, *GST/HST Rebate for Partners*;
- you are claiming a public service body rebate for the GST/HST paid on goods and services for use in your organization's activities. For more information, see Guide RC4034, *GST/HST Public Service Bodies' Rebate*;
- you are claiming a rebate of the GST/HST you paid on a specially-equipped motor vehicle, or on modifications performed on the vehicle outside Canada. Instead, use Form GST518, *GST/HST Specially Equipped Motor Vehicle Rebate Application*;
- you are a trust governed by a multi-employer pension plan claiming a rebate of the GST/HST you paid on property or services in relation to the plan. Instead, use Form GST521, *GST/HST Multi-Employer Pension Plan Trust Rebate Application*; or
- you are an entity to which a self-government agreement applies and that agreement provides for a refund of the GST for goods and services acquired for self-government activities. For more information, see Guide RC4034, *GST/HST Public Service Bodies' Rebate*.
- you are a First Nation purchaser who paid the 8% Ontario provincial part of the HST on qualifying off-reserve supplies of property or services and seeking to obtain relief. Instead, go to the Ontario Ministry of Revenue Web site at [www.rev.gov.on.ca/en/taxchange/firstnations.html](http://www.rev.gov.on.ca/en/taxchange/firstnations.html) to find out how you may file a rebate application with the Government of Ontario.

## GST/HST and Quebec

In Quebec, Revenu Québec administers the GST/HST. If the physical location of your business is in Quebec, you have to file your returns with Revenu Québec using its forms. For more information, see the Revenu Québec publication IN-203-V, *General Information Concerning the QST and the GST/HST*, available at [www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca), or call 1-800-567-4692.

### Note

For Type 10, 14, and 17 general rebates, the address of the supplier is the determining business/physical address.

If you have a visual impairment, you can get our publications in braille, large print, etext (CD or diskette), or MP3. For more information, go to [www.cra.gc.ca/alternate](http://www.cra.gc.ca/alternate) or call 1-800-959-2221.

La version française de cette publication est intitulée *Demande générale de remboursement de la TPS/TVH*.

## What's new?

We list the major changes below, including changes that have been announced but were not law at the time of printing this guide. If they become law as proposed, they will be effective as of the dates indicated. For more information on these and other changes, see the areas outlined in colour in this guide.

### Harmonized sales tax for Ontario

As of July 1, 2010, Ontario harmonized its retail sales tax with the GST to implement the harmonized sales tax in Ontario at the rate of 13% (5% federal part and 8% provincial part).

### Harmonized sales tax for British Columbia

As of July 1, 2010, British Columbia (BC) harmonized its provincial sales tax with the GST to implement the harmonized sales tax in BC at the rate of 12% (5% federal part and 7% provincial part).

### Harmonized sales tax rate change for Nova Scotia

As of July 1, 2010, Nova Scotia increased its harmonized sales tax rate to 15% (5% federal part and 10% provincial part).

### Mandatory electronic filing

Under proposed changes, for reporting periods that end after June 2010, you may have to file your GST/HST returns electronically. For more information, see Guide RC4022, *General Information for GST/HST Registrants*, or go to [www.cra.gc.ca/gsthst-filing](http://www.cra.gc.ca/gsthst-filing).

### GST/HST electronic filing changes

For reporting periods that end after June 2010, all restrictions have been removed so that all registrants, other than selected listed financial institutions, can file electronically. For more information, go to [www.cra.gc.ca/gsthst-filing](http://www.cra.gc.ca/gsthst-filing).

### Point-of-sale rebates for Ontario, British Columbia and Nova Scotia

Under proposed changes, the governments of Ontario, British Columbia and Nova Scotia would provide point-of-sale rebates of the provincial part of the harmonized sales tax (HST) payable on sales of certain designated items. The vendor would automatically credit the rebate of the provincial part of the HST and only collect the 5% federal part of the HST payable on the sale of that item.

### Ontario First Nations point-of-sale relief

The government of Ontario has announced that point-of-sale relief equal to the 8% provincial part of the HST will be provided to Indians, Indian bands, and councils of an Indian band for purchases of qualifying property and services made off a reserve. For more information, see "Reason code 23 – Ontario First Nations point-of-sale relief" on page 24.

### My Business Account

You can now use the Instalment payment calculator service to calculate your instalment payments and view their related due dates.

To learn more about the growing list of services available in My Business Account, go to [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount).

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## Definitions

**Charity** – means a registered charity or registered Canadian amateur athletic association for income tax purposes, but does not include a public institution. A charity can issue donation receipts for income tax purposes.

**Capital personal property** – includes depreciable property that is eligible or would be eligible for a capital cost allowance for income tax purposes. It also includes any personal property, except depreciable property, the sale of which would give rise to a capital gain or loss for income tax purposes. For GST/HST purposes, capital personal property does not include property in Class 12, 14, or 44 of Schedule II to the *Income Tax Regulations*.

**Commercial activity** – means any business or adventure or concern in the nature of trade carried on by a person, but **does not include:**

- the making of exempt supplies; or
- any business or adventure or concern in the nature of trade carried on without a reasonable expectation of profit by an individual, a personal trust, or a partnership where all the members are individuals.

Commercial activity also includes a supply of real property, other than an exempt supply, made by any person, whether or not there is a reasonable expectation of profit, and anything done in the course of making the supply or in connection with the making of the supply.

**Consumer** – means a particular individual who acquires or imports property or a service for personal consumption, use, or enjoyment, or for personal consumption, use, or enjoyment by another individual at the particular individual's expense. The particular individual does not use the property or service in a commercial activity or to make an exempt supply.

**Designated municipal property** – means property of a person who is, at any time, designated to be a municipality for purposes of claiming the public service bodies' rebate. Generally, it is property, or an improvement to it, that the designated municipality intended to consume, use, or supply more than 10% in the course of activities specified in its designation, and an amount for the property or improvement to it has been included in the calculation of non-creditable tax charged. Once property qualifies as designated municipal property, it is treated as such for as long as it is held by the designated municipality.

**Designated municipality** – refers to a person that supplies certain municipal services and is designated by the Minister of National Revenue to be a municipality for the purpose of claiming the public service bodies' rebate for those services.

**Exclusive** – means, in respect of the consumption, use, or supply of property or a service by a financial institution, **all** of the consumption, use, or supply of the property or service.

**Exempt supplies** – are supplies of property and services that are not subject to the GST/HST. GST/HST registrants cannot claim ITCs to recover the GST/HST paid or payable on expenses related to making such supplies.

**Import** – means import into Canada.

**Improvement** – to capital property generally means any property or service acquired or imported to improve the capital property when the amount paid or payable for that property or service is included in the adjusted cost base of the capital property for income tax purposes.

**Input tax credit (ITC)** – means a credit GST/HST registrants can claim to recover the GST/HST paid or payable for property or services they acquired, imported into Canada, or brought into a participating province for use, consumption, or supply in the course of their commercial activities.

**Intangible personal property** – generally means a "right" rather than a physical object. It includes contractual rights, options, intellectual property (such as inventions, patents, trade secrets, trademarks, trade names, copyrights, and industrial designs), and rights in relation to goods that are not in the possession of a person.

**Legal aid plan** – means a legal aid plan that is administered under the authority of a provincial government.

**Listed financial institution** – includes a chartered bank, investment dealers, trust companies, insurance companies, tax discounters, a credit union, a segregated fund of an insurer, an investment plan, or a person whose principal business is the lending of money.

**Municipality** – means an incorporated city, town, village, metropolitan authority, township, district, county or rural municipality, or other incorporated municipal body however designated. It also includes such local authority that the Minister of National Revenue has determined to be a municipality, otherwise referred to as a determined municipality.

**Non-resident** – means not resident in Canada. However, if a non-resident person carries on activities through a permanent establishment in Canada, they may be considered resident in Canada for purposes of the activities they carry on through that permanent establishment. A permanent establishment is:

- a person's fixed place of business, including a place of management, a branch, an office, a factory, or a workshop, and a mine, an oil or gas well, a quarry, timberland, or any other place where natural resources are extracted, through which the person supplies property or services; or
- a fixed place of business of someone else (other than a broker, general commission agent, or other independent agent acting in the ordinary course of business) who is acting in Canada on behalf of the person and through whom the person supplies property and services in the ordinary course of business.

If you are a Canadian resident because you carry on activities through a permanent establishment in Canada, you cannot claim a rebate that only non-residents can claim if that rebate is in relation to the activities you carry on through that permanent establishment.

**Participating province** – means the province of British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, or Ontario.

**Person** – means an individual, a partnership, a corporation, the estate of a deceased individual, a trust, or any body that is a society, union, club, association, commission, or other organization of any kind.

**Primarily** – generally means more than 50%.

**Property** – includes goods, real property and intangible personal property such as trademarks, rights to use a patent, and admissions to a place of amusement, but does not include money.

**Public sector body** – means a government or a public service body.

**Public service body** – means a charity, non-profit organization, municipality, university, public college, school authority, or hospital authority.

**Recipient** – of property or a service generally means the person who is liable to pay for the supply of that property or service. When no amount is due, it means the person to whom the property is delivered or made available, or to whom the service is rendered.

**Registrant** – means a person that is registered, or has to be registered, for the GST/HST.

**Selected listed financial institution** – generally means an institution that is a listed financial institution (defined earlier in this section) that is required to allocate taxable income (or income, if you are an individual, an estate of a deceased individual, or a trust) for income tax purposes between at least one participating province and at least one non-participating province, during the current tax year and the immediately preceding tax year.

**Taxable supplies** – are supplies of property and services that are made in the course of a commercial activity and are subject to the GST/HST (including zero-rated supplies).

**Zero-rated supplies** – are supplies of property and services that are taxable at the rate of 0%. This means there is no GST/HST charged on these supplies, but GST/HST registrants can claim an ITC for the GST/HST paid or payable on purchases and expenses made to provide them.

## General application for rebate of GST/HST

### Are you eligible to file a general rebate application?

You may qualify to file a general rebate application (Form GST189, *General Application for Rebate of GST/HST*) if one of the following situations applies to you:

- You paid or remitted an amount as or on account of GST/HST, net tax, penalty, or interest in error (reason code 1).

- You are a non-resident who exported goods for commercial use outside Canada, and you paid the GST/HST on these goods. In some cases, a non-resident who purchases used and empty returnable containers (or their compacted material) for more than the refundable deposits for the containers may qualify for this rebate. In addition, a non-resident may be eligible for a rebate when the person purchases a beverage in a returnable container and is charged a non-refundable container deposit. For more information, see GST/HST Technical Information Bulletin B-089, *Returnable Containers* (reason code 4).
- You are a non-resident (other than a consumer), you are not a GST/HST registrant, and you paid tax on goods or services you acquired to use or consume in producing certain artistic works for export (reason code 4).
- You are the administrator of a provincial legal aid plan, and you paid the GST/HST on legal services you bought for legal aid recipients (reason code 5).
- You are a non-registrant, you made a taxable sale of real property, you paid the GST/HST when you bought that property or made improvements to it, and you could not previously recover that tax (reason code 7).
- You are a municipality or designated municipality, that is not a GST/HST registrant, and you have made a taxable sale of capital personal property on which you paid the GST/HST when you bought the property or paid for improvements made to it. In the case of designated municipalities, the rebate is available only in respect of capital personal property that qualifies as designated municipal property (reason code 7).
- You are an Indian band, tribal council, or band-empowered entity, and you paid amounts as GST/HST on purchases of off-reserve transportation, short-term accommodation, meals and entertainment for band management activities, or for real property on reserve (reason code 8).
- You paid the GST/HST on the purchase of land or on improvements you made to it, and you later leased the land for residential purposes to a lessor or sublessor who had to self-assess and remit the GST/HST on a value that includes the land (reason code 9).
- You are a non-resident, not a GST/HST registrant, you sold goods on an installed basis to a person who is registered for the GST/HST, and you paid tax on the service of installing the goods in real property located in Canada (reason code 10).
- You are a non-resident, not a GST/HST registrant, and you paid tax on the service of installing goods in real property located in Canada that another non-resident, who is not registered for the GST/HST, sold to a person who is registered for the GST/HST (reason code 11).
- You are a resident of a participating province and you paid the HST on goods that you imported into a non-participating province to be consumed or used in a non-participating province (reason code 12).

- You are a resident of Canada and you paid the HST on intangible personal property or services to be consumed, used, or supplied outside the participating provinces (reason code 13).
- You are an investment plan or an insurer's segregated fund and you are not a selected listed financial institution. You hold or invest funds for the benefit of persons who are resident outside the participating provinces and you paid the HST on purchases of management or administrative services, and any other service provided by the same person who supplied you with management or administrative services (reason code 14).
- You are an investment plan or an insurer's segregated fund and you want to claim a rebate of the provincial part of the HST payable on "specified services" to the extent that the plan or fund holds or invests funds for persons who are resident outside the participating provinces (reason code 15).
- You bought certain designated items in or from one of the participating provinces and you paid the HST or have self-assessed and remitted the provincial part of the HST (reason code 16).
- You credited an Ontario First Nations point-of-sale relief (reason code 23).
- You are filing this form as a result of a remission order granted under the *Financial Administration Act*.

## Claim limitations

You cannot claim a rebate of an amount of GST/HST if any of the following apply:

- The amount was previously rebated, credited, refunded, or remitted to you.
- You received a credit note, or you issued a debit note for a refund, adjustment, or credit that includes the amount.
- You claimed or are entitled to claim an input tax credit (ITC) for the amount.
- You are entitled to otherwise obtain a rebate, refund, or remission of the amount.
- In the case of a bankruptcy, you will not be paid a rebate that you were entitled to claim before the appointment of a trustee in bankruptcy, unless you have filed all returns and remitted all outstanding amounts for reporting periods that ended before the appointment.
- The deadline for filing the rebate has passed. More information on filing deadlines is provided later in this guide.

Certain other limitations may also apply depending on the specific type of rebate claimed. These limitations are also explained later on in this guide.

## Filing the rebate application

You have to complete Parts A, B, and E of Form GST189, *General Application for Rebate of GST/HST*. Also, complete the applicable section of Part C. In some cases, you also have to complete Part F.

Complete Part D of Form GST189, **only if** the claimant is sending, or has already sent, Form GST507, *Third Party Authorization and Cancellation of Authorization for GST/HST Rebates*. For more information, see "Part D – Third party address" on page 25.

To determine the appropriate reason code for your rebate application, see "Part B – Reason for rebate request" on the next page. For instructions on how to calculate your rebate, see "Part C – Rebate claimed" on page 24.

See the instructions for the particular reason code under which you are filing for information on whether you have to complete Part F. For details on how to complete Part F, see page 26. You will need to use Form GST288 if you need more space in Part F to enter all the information required.

## What records to include with your rebate application and what to keep

If you file a rebate application under reason code 1, 4, 8, 11, 12, 13, 16, you have to send us the **original** proof of purchase. We will return all receipts to you after we process your application. If you plan to file a rebate application in any other jurisdiction that requires original receipts, you should consider filing your general application for a GST/HST rebate first. We will not accept photocopies of receipts or credit card slips as proof of purchase.

In the case of a reason code 8 rebate, an Indian band, tribal council, or band-empowered entity may apply to their local tax services office, Verification and Enforcement Division (Audit), to request a letter waiving the need to submit original receipts. For more information on this option, refer to the section dealing with reason code 8 on page 15.

If you file a rebate application under reason code 5, 9, 10, 14, or 15, you do not have to send us original receipts or other documents. For reason code 7, there are specific instructions for each property type: real property and capital personal property. If you are applying for a rebate under reason code 9, you have to provide certain details of your transaction. For information on the details you have to provide, see the sections of the guide that discuss these reason codes.

If you file a rebate application under reason code 23, you do not have to send us documentation. Go to the Ontario Ministry of Revenue Web site at [www.rev.gov.on.ca/en/taxchange/firstnations.html](http://www.rev.gov.on.ca/en/taxchange/firstnations.html) to find out what documentation you need to keep to support your claim.

### Note

Persons carrying on a business or engaged in a commercial activity in Canada, persons who are required to file a GST/HST return, and persons who make an application for a rebate have to keep adequate books and records, including original invoices, for six years from the end of the year to which they relate, in case we ask to see them later. They must be in English or French, or a translation must be provided. They must also be kept in Canada unless you get permission from the Canada Revenue Agency to maintain them outside Canada. For more information on books and records, see GST/HST Memorandum 15.1, *General Requirements for Books and Records*.

## Where do I send my rebate application?

### Reason codes 10 and 14

Do not send your rebate application to us if you are claiming a rebate under **reason code 10 or 14**. Instead, you have to give your application to the GST/HST-registered supplier or insurer who paid or credited you with your rebate. The supplier or insurer has to complete Part G of the application and send us your rebate application with the supplier's or insurer's GST/HST return.

### Reason code 23

If you are claiming a rebate under **reason code 23** and you are filing a paper GST/HST return, send the completed application with your return.

If you are claiming a rebate under **reason code 23** and you are filing your GST/HST return electronically, send the completed application to:

**Sudbury Tax Centre**  
1050 Notre Dame Avenue  
Sudbury ON P3A 5C1

### All other reason codes

If you are claiming a rebate for any other reason code and you are filing a paper GST/HST return and claiming the rebate on **line 111**, send the completed application with your return.

If you are filing your GST/HST return electronically or you are not claiming the rebate on **line 111** of your return, send the completed application to:

**Summerside Tax Centre**  
275 Pope Road  
Summerside PE C1N 6A2

## Completing the rebate application

### Part A – Identification

#### Claimant's name, address, and Business Number (BN)

If you are applying for a rebate as an individual, enter your name and mailing address. If you are applying for a rebate for a business or other organization, enter the 9- or 15-digit BN, the full name (include the trading or operating name, if applicable), the mailing address, and the business address if it is different from the mailing address.

### Head office, branch, or division

Identify whether you are a head office or a branch or division. If you are a registrant and are already authorized to file separate GST/HST returns for branches or divisions of your organization, you may also file separate rebate applications under reason code 1 for each branch or division. If you are not authorized to file separate GST/HST returns for your branches or divisions, you can still apply to have those branches or divisions file separate rebate applications under reason code 1. If you do so, we will assign each approved branch or division a separate GST/HST account number to use on all rebate applications and correspondence. If you do not want to file separate rebate applications for your branches or divisions, you have to combine rebates for all branches or divisions on your head office application. We consider an organization with no branches or divisions to be the head office.

### Period covered

The period the rebate application covers is usually the period covered by the dates shown on the invoices you record on the back of the application and on any attached supplements. However, this period must fall within the filing deadlines outlined for each reason code in the next section.

### Part B – Reason for rebate request

When you file the general rebate application, you have to give your reason for applying by putting a tick mark in the applicable reason code box in Part B of the application form.

We explain each reason code and the rules that apply starting on page 8.

You can only use **one reason code per rebate application**. If you are entitled to claim different amounts of GST/HST under different reason codes, use a separate rebate application for each reason code.

After you choose the reason code that applies to your situation and read the filing instructions, see "Part C – Rebate claimed" on page 24 to find out how to calculate the amount of your rebate.

### Reason code 1 – Amounts paid in error

#### Eligible amounts

You can apply for a rebate of an amount if:

- you paid or remitted it as or on account of GST/HST or net tax that you should **not** have paid or remitted, or that was more than you had to pay or remit; or
- you paid it as penalty, interest, or any other similar obligation that was not payable or remittable.



As a result of recent changes, the HST rate varies depending on the province. The chart below shows the applicable rates that apply following the rate reduction in 2008.

GST/HST Rates		
	Before July 1, 2010	On or after July 1, 2010
Ontario	GST at 5%	HST at 13%
British Columbia	GST at 5%	HST at 12%
Nova Scotia	HST at 13%	HST at 15%
New Brunswick	HST at 13%	HST at 13%
Newfoundland and Labrador	HST at 13%	HST at 13%
Territories and other provinces in Canada	GST at 5%	GST at 5%

### Exceptions

**Amounts collected in error** – If you collected an amount as or on account of GST/HST that you should not have collected, you have to include that amount in the calculation of your net tax. You are not entitled to claim a rebate for amounts you collected as GST/HST in error. To correct this error, refund or credit the amount to your customer and issue your customer a credit note for the amount. You can then reduce your net tax owing by the amount you refunded or credited to your customer. Include the amount of the adjustment on **line 107** of your GST/HST return in the reporting period in which you issued the credit note.

**Amounts paid in error** – If you believe you paid an amount as GST/HST in error to a supplier, you can request a refund or credit of the amount from the supplier, instead of applying for a rebate under reason code 1. This is often the simplest way for you to recover the amount. If the supplier gives you a refund or credit, you are no longer eligible for a rebate because the amount you paid in error has already been refunded or credited to you. If you cannot get a refund or credit from the supplier (for example, if the supplier refuses to refund the amount or goes out of business), you can apply for a rebate of that amount under reason code 1.

You are **not** entitled to a rebate for amounts paid or remitted in error if any of the following apply:

- the amount has been taken into account as tax or net tax in an assessment;
- the amount paid was tax, net tax, penalty, interest, or any other amount assessed; or
- the amount is the result of an appraisal or reappraisal of the value of goods, or a determination that the GST/HST applies to the goods by the Canada Border Services Agency (CBSA).

### Notes

If the CBSA appraises or reappraises the value of goods, the result may be that you paid the GST/HST in error, or more than what you actually owed. In this case, you have to apply to the CBSA for a refund of the amount.

Do **not** claim a rebate under this reason code if you are a status Indian, an Indian Band, or council of an Indian band and have paid an amount equal to the 8% provincial part of the HST in Ontario for the purchase of qualifying off-reserve property or services on or after July 1, 2010. You may be entitled to apply to the Ontario Ministry of Revenue for a rebate equal to the 8% provincial part of the HST paid. Do **not** use Form GST189 to apply for this rebate.

**Rebate of GST/HST paid for goods imported on consignment, approval, or sale-or-return basis or for damaged or defective imported goods** – If you import goods on a consignment, approval, or sale-or-return basis and export them within 60 days without having used or consumed them in Canada, except on a trial basis, you can apply to the CBSA for a rebate of the GST/HST you paid on these goods when you imported them. Similarly, if goods you import to consume or use are of inferior quality, damaged, or defective, you may be entitled to a rebate through the CBSA of the GST/HST you paid when you imported them.

### Filing instructions

When you apply for a rebate of amounts you paid or remitted in error, provide the following information with your application:

- the reason the amount is not payable or remittable;
- details on how you calculated your claim; and
- **original** receipts for all purchases that you list.

We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

For details on how to calculate your rebate, see “Part C – Rebate claimed” on page 24. If you are applying for a rebate under reason code 1, you can use **Method (b)** or **Method (c)** for each invoice to complete Section I of Part C and Part F of the application form.

### Filing deadline

You have to file your rebate application within two years after the day you paid or remitted the amount in error.

You can submit only one rebate application per calendar month.

### Reason code 4 – Commercial goods and artistic works exported by a non-resident

#### Commercial goods – eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you received goods in Canada and paid the GST/HST on them on or before delivery;

- you are not a consumer of the goods;
- you exported the goods from Canada within 60 days of delivery (you have to either have taken the goods with you when you left Canada or exported them by mail or common carrier);
- you bought the goods in the course of the commercial activities of any Canadian establishment that you own;
- the **total** of all receipts attached to your application shows that you made taxable purchases (other than zero-rated purchases) of at least **CAN\$200** (excluding the HST in a participating province or the GST and provincial sales tax (PST) in the rest of Canada); and
- **each receipt** attached to your application shows that you made eligible taxable purchases (other than zero-rated purchases) of at least **CAN\$50** (excluding the HST in a participating province or the GST and PST in the rest of Canada).

You are **not** eligible for a GST/HST rebate when you export the following goods:

- alcoholic beverages such as liquor, wine, and beer;
- tobacco products; and
- gasoline, diesel fuel, or other motive fuels **other than** fuel that is being transported in a vehicle designed for bulk transport and that is not for use in the vehicle that is transporting it.

In certain cases, when the supplier charged you the GST/HST by mistake on goods that you purchased and exported from Canada, you can ask the supplier for a tax refund or credit. If you cannot get a refund or credit from the supplier (for example, if the supplier refuses to refund the amount or goes out of business), you can apply for a rebate of that amount under reason code 1. You cannot claim a rebate under reason code 4.

Goods (other than excisable goods such as beer, spirits, wine, and tobacco products) are zero-rated if you take delivery of the goods in Canada, and all of the following conditions are met:

- you are not a consumer;
- you export the goods as soon as is reasonable in the circumstance after they are delivered to you;
- you do not buy the goods to consume, use, or supply in Canada before exporting them;
- after buying the goods and before exporting them, you do not further process, transform, or alter the goods in Canada, unless it is reasonably necessary or incidental to transport them; and
- the supplier keeps satisfactory evidence, for audit purposes, that you exported the goods.

#### **Artistic works – eligibility**

You are eligible for a rebate if:

- you are a non-resident;
- you are not a GST/HST registrant;

- you paid the GST/HST on goods, intangible personal property (for example, a patent or copyright), or services (other than services of storing or shipping property) that you acquired to use or consume only in manufacturing or producing an original literary, musical, artistic, motion picture, or other work that is under copyright protection and any copies of that work;
- you are not a consumer of the goods, intangible property, or services;
- you are manufacturing or producing the work and all copies of it for export;
- each receipt has at least **CAN\$50** of eligible taxable purchases; and
- the **total** of all receipts attached to your application shows that you made taxable purchases (other than zero-rated purchases) of at least **CAN\$200** (excluding the HST in a participating province or the GST and PST in the rest of Canada).

#### **Note**

For purposes of the rebate for exported artistic works, instead of paying the GST/HST when you make your purchase and filing the rebate application to get the tax back, you can assign your rights to your GST/HST rebate to the GST/HST-registered supplier. By doing this, the supplier pays or credits your rebate to you at the time of your purchase so that you can make your purchase without paying the GST/HST. For more information and an example of an agreement to assign rights to the GST/HST rebate, see Guide RC4027, *Doing Business in Canada – GST/HST Information for Non-Residents*.

If you do not assign your rebate to the registered supplier, you have to pay the GST/HST due on your purchase and apply to us for your rebate.

#### **Filing instructions**

For details on how to calculate your rebate, see “Part C – Rebate claimed” on page 24. If you are applying for a rebate under reason code 4, you have to use **Method (b)** for each invoice to complete Section I of Part C and Part F of the application form.

Make sure to include **original** receipts for all purchases that you record, unless you are entitled to a rebate for artistic work and you assign your rebate to the supplier. We will return your original receipts after we process your application.

We do not accept credit card slips or photocopies of receipts as proof of purchase.

If you are filing a rebate application for the GST/HST you paid on commercial goods that you exported, other than artistic works that you manufactured or produced, **enter the date you exported the goods in Part F** of the rebate application and include proof that the goods were exported from Canada within 60 days of their delivery to you (for example, Form 7501, *U.S. Entry Summary*).

## Filing deadlines

If you are applying for a rebate of the GST/HST you paid on commercial goods that you exported, other than artistic works that you manufactured or produced, you have one year from the date you exported the goods to file your rebate application.

If you are applying for a rebate of the GST/HST you paid on goods, intangible personal property, or services that you acquired to consume or use in manufacturing or producing an eligible artistic work for export, you have one year from the date that the tax became payable on your acquisition to file the rebate application.

If the registered supplier of the property or service paid or credited the rebate to you, do not send us the application. The supplier has to send us your rebate application with their GST/HST return.

### Note

The supplier can claim a deduction for the amount of tax paid or credited to you. To do this, the supplier claims the deduction on their GST/HST return for the reporting period that includes the later of the following:

- the last day the tax would have become payable by you on your purchase; and
- the day the amount was paid or credited to you.

Alternatively, the supplier can claim the deduction within one year of the later of these two days.

## Reason code 5 – Legal aid plan

### Eligibility

You are eligible for this rebate if:

- you are the person responsible for administering a legal aid plan; and
- you paid the GST/HST on legal services you bought for legal aid recipients.

### Example

A lawyer provides services to a person administering a legal aid plan and she incurs some expenses in her personal capacity (for example, for long-distance calls or photocopying court decisions) and other expenses in her capacity as agent for the plan administrator (for example, requesting a medical report).

The expense for the medical report would be charged to and reimbursed by the plan administrator as the lawyer was acting as the agent of the administrator. These types of expenses incurred as an agent of the legal aid plan do not qualify for the legal aid plan rebate.

However, the person responsible for administering the legal aid plan may qualify for a public service bodies' rebate for some of the tax paid on expenses incurred as an agent of the client at the rate applicable to that person.

Only those expenses incurred by the lawyer in her personal capacity (for example, for long-distance calls or photocopies) will be treated as the supply of legal services and be eligible for a rebate under reason code 5.

## Filing instructions

For details on how to calculate your rebate, see "Part C – Rebate claimed" on page 24. If you are applying for a rebate under reason code 5, you have to use **Method (b)** for each invoice to complete Section I of Part C and Part F of the application form.

You do not have to include receipts or invoices with your application. However, you have to keep these documents in case we ask to see them later.

### Filing deadline

You have four years from the end of the reporting period in which the tax became payable to file your rebate form.

## Reason code 7 – Taxable sale of real property by a non-registrant or taxable sale of capital personal property of a municipality or designated municipality who is a non-registrant

### Rebate for taxable sale of real property by a non-registrant

Generally, this rebate is available when a non-registrant makes a taxable sale of real property and they paid the GST/HST on their purchase of that property or on improvements made to that property but were previously unable to recover that tax.

If the non-registrant claims this rebate, they will recover some or all of the tax they paid when they purchased the real property or made improvements to the property.

### Note

If the non-registrant was entitled to recover some or all of the tax they paid on their purchase of the property or for the improvements they made in some other way (for example, by claiming another type of rebate), the amount of this rebate will be reduced or eliminated by the amount they were entitled to recover (whether or not it was actually claimed).

You are eligible to claim this rebate if:

- you are not a GST/HST registrant;
- you paid the GST/HST on real property such as land, a building, or an interest in real property when you last acquired the property or made improvements to it; and
- you made a taxable sale of the property, including a deemed taxable sale.

If you need help determining whether your sale of real property is taxable or whether you are eligible for this rebate, call **1-800-959-8287**.

The amount of your rebate is equal to the **lesser** of:

- the basic tax content of the real property at the time of the sale, or the deemed sale. For information on how to calculate the basic tax content, see the instructions below; and
- the GST/HST payable on your sale of the property, or on the deemed sale, or the GST/HST that would have been payable on the sale of the property if the property was not part of a supply of a business where no tax was payable because you and the purchaser made a joint election. For more information on this election, see Form GST44, *Election Concerning the Acquisition of a Business or Part of a Business*, or call **1-800-959-8287**.

As you are not a registrant, you will generally calculate the basic tax content of your property by totalling the amount of the GST/HST that you paid for the last acquisition of the property and for any improvements made to the property since it was last acquired, and then deducting any amounts that you were entitled to recover by rebate or remission. You will take depreciation in the value of the property into account by multiplying the difference calculated above by a depreciation factor.

Generally, the **basic tax content** formula is as follows:

$$(A - B) \times C$$

- A** is the GST/HST you paid for the last acquisition or importation of the property and for any improvements made to it;
- B** is the amount of any GST/HST you were entitled to recover by rebate, refund, remission or otherwise; and
- C** is the lesser of:
  - 1; and
  - the fair market value of the property at the time you made, or were deemed to have made, the taxable sale of the property **divided by** the amount you paid (before tax) for the last acquisition of the property and for improvements to it since that last acquisition.

#### Note

If you are a municipality or a designated municipality (that is not a listed financial institution), the amounts for "A" and "B" in the basic tax content formula **do not** include the GST and the federal part of the HST paid or payable **before** February 2004.

If you are a public sector body not dealing at arm's length with the purchaser, the amount of your rebate is equal to the **lesser** of:

- the basic tax content of the real property at the time of the sale (or the deemed sale); and
- the amount determined by the following formula:

$$(A / B) \times C$$

- A** is the basic tax content of the real property at the time of the sale (or the deemed sale);

- B** is the amount that would be the basic tax content of the property at the time of the sale, if it were determined without deducting any GST/HST you were exempt from paying under any other law or were entitled to recover by rebate, refund, remission or otherwise; and
- C** is the GST/HST payable on your sale, or deemed sale, of the property, or the GST/HST that would have been payable on the sale of the property if the property was not part of a supply of a business where no tax was payable because you and the purchaser made a joint election. For more information on this election, see Form GST44, or call **1-800-959-8287**.

#### Example 1

You are an individual who is not a GST/HST registrant. You bought vacant land for \$100,000 and you paid \$5,000 GST. You later subdivide that land into four equal parts of equal value and you sell one of these parts to an unrelated individual for \$70,000. Your sale of that part of the land is taxable and the purchaser has to pay \$3,500 GST (\$70,000 × 5%).

Since you paid GST when you bought the land and the purchaser now has to pay GST on the part of the land that they bought from you, you can claim a rebate to recover some of the tax you paid when you bought the land.

You can only recover an amount of tax that can reasonably be considered as being for the part that you sold. That is, your rebate will be equal to the basic tax content of the part of the land that you sold or the amount of the tax payable on your sale, whichever amount is less.

As you had subdivided the land into four equal parts of equal value, you determine that \$1,250, which is one-fourth (use either ¼ or one-fourth), or 25%, of the tax you paid on your purchase of the land (\$5,000 × 25%), can reasonably be considered as being for the part that you sold. Therefore, you determine the basic tax content of the part of the land that you sold as follows:

$$\begin{aligned} \text{Basic tax content} &= (A - B) \times C \\ &= (\$1,250 - \$0) \times (\text{the lesser of 1 and } \\ &\quad \quad \quad \$70,000 / \$25,000^*) \\ &= \$1,250 \times (\text{the lesser of 1 and 2.8}) \\ &= \$1,250 \times 1^{**} \\ &= \$1,250 \end{aligned}$$

\* We use \$25,000 for the amount paid on the last acquisition because this is equal to 25% of the purchase price (\$100,000 × 25%) you paid, it represents the part of the purchase price that is reasonable to consider as being for the part of the land that you sold.

\*\* We use **1** as this is the maximum value that can be used for element C.

As the basic tax content of the part of the land that you sold is \$1,250, which is **less than** the \$3,500 GST that was due from the purchaser on your sale of that part of the land, you can claim a rebate of \$1,250.

## Example 2

You are a non-registrant and you build a house that you lease for long-term residential use by an individual. In this case, you are deemed to have made a taxable sale of the house and you have to account for the tax calculated on the fair market value of the house at the time you first give possession or use of the house to the individual for long-term residential use. You paid tax on your costs to construct the house and on the land you purchased. You **cannot** recover any of that tax in some other way, for example by claiming a different rebate.

You can claim this rebate to recover some or all of the GST/HST you paid on the land and to construct the house.

The amount of your rebate will be equal to the basic tax content of the house and related land at the time of your deemed taxable sale or the amount of tax that is deemed to be collected on your deemed taxable sale, whichever amount is **less**. The amount of tax deemed to be collected is the tax calculated on the fair market value of the house at the time you first give possession or use of the house to the individual for long-term residential use.

## Filing instructions

Determine whether your rebate is equal to the basic tax content of the real property or to the GST/HST payable on your sale of the property or deemed taxable sale (your rebate will be equal to whichever of these amounts is less). If you are a public sector body that is not dealing at arm's length with the purchaser, use the calculation described above to determine the amount of your rebate.

Include the amount of your rebate in Section I of Part C of the application beside "Method (c) Other" under "Amounts claimed."

## Documents to send us

In all cases, send us a letter of explanation describing the circumstances that give rise to the rebate, including:

- the address of the property and a description of the property (for example, vacant land or substantially renovated housing);
- your original intent for the property and, if your intentions for the property changed, describe your later intentions (for example, you originally purchased the property to construct your own house but later decided to subdivide and sell the land instead);
- your use of the property (for example, your personal residence or a rental property);
- if your rebate claim is equal to the basic tax content of the property, using Form GST288, *Supplement to Forms GST189 and GST498*, include a detailed listing of the GST/HST paid on any improvements you made to the property that you included in your basic tax content calculation and a description of those improvements; and
- attach a copy of the Statement of Adjustments from your original purchase of the property.

If you sold the property, be sure to include the following information with your rebate application:

- a copy of the Statement of Adjustments for the sale of the property;
- the date the payment for the sale of the property became due or, if it was paid to you before the due date, the date it was paid to you by the purchaser;
- the name and address of the purchaser. Include the purchaser's full name (and trading name if this is different) and indicate whether or not the purchaser is a registrant. Where applicable, provide the Business Number of the purchaser; and
- an indication as to whether or not you are a non-resident.

If you made a deemed taxable sale of the property, be sure to include the following information with your rebate application:

- the date you are deemed to have collected the GST/HST on that deemed sale; and
- the fair market value of the property and an explanation of how you determined the fair market value.

In the case of a property seizure, provide us with the expiry date of the redemption period. For more information, see "Restriction on claiming a rebate in the case of a seizure of real property or capital personal property" on page 15.

### Note

If any of the required documentation is **not** received, your claim may be delayed or disallowed.

## Rebate for taxable sale of capital personal property of a municipality or designated municipality who is a non-registrant

Generally, this rebate is available when a non-registrant municipality or designated municipality makes a taxable sale of capital personal property and they paid the GST/HST on their purchase of that property but were previously unable to recover that tax.

If the non-registrant claims this rebate, they will recover some or all of the tax they paid when they purchased the property.

### Note

If the non-registrant was entitled to recover some or all of the tax they paid on their purchase of the property in some other way (for example, by claiming another type of rebate), the amount of this rebate will be reduced or eliminated by the amount previously recovered.

You are eligible to claim this rebate if:

- you are a municipality or designated municipality that is not a GST/HST registrant;
- you paid or are deemed to have paid the GST/HST on the purchase of capital personal property (for example, a computer, equipment, or office furniture);
- you later sell that property (for designated municipalities, the capital personal property sold must be "designated municipal property"); or

- your sale of that capital personal property is taxable and the GST/HST became payable or would have been payable on the sale if the property was part of a supply of a business. For more information on this election, see Form GST44, *Election Concerning the Acquisition of a Business or Part of a Business*, or call 1-800-959-8287.

**Note**

Any sale (other than an exempt sale) of capital personal property by a municipality is a taxable sale for GST/HST purposes. This also applies to any sale (other than an exempt sale) of capital personal property that is “designated municipal property” by a designated municipality.

The amount of the rebate is equal to the **lesser** of:

- the basic tax content of the capital personal property at the time of the sale; and
- the GST/HST payable on the sale of the capital personal property or the GST/HST that would have been payable on the sale of the property if the property was part of a supply of a business where no tax was payable because you and the purchaser made a joint election. For more information on this election, see Form GST44, or call 1-800-959-8287.

As you are not a registrant, you will generally calculate the basic tax content of your property by totalling the amount of the GST/HST that you paid to acquire the property and make any improvements to it, and then deducting any amounts that you were entitled to recover by rebate, remission, or otherwise. You will take depreciation in the value of the property into account by multiplying the difference by a depreciation factor.

For municipalities that are not listed financial institutions, the **basic tax content** calculation at any time after January 30, 2004, is as follows:

$$(A - B) \times C$$

- A is the GST/HST you paid for the last acquisition or importation of the property and for any improvements;
- B is the amount of any GST/HST you were entitled to recover by rebate (for example, a public service bodies’ rebate), refund, remission or otherwise; and
- C is the lesser of:
  - 1; and
  - the fair market value of the property at the time the property was sold **divided by** the amount paid (before tax) to buy the property and make improvements to it.

**Note**

The amounts for “A” and “B” **do not** include the GST and the federal part of the HST paid or payable **before** February 2004.

**Example**

A municipality in Newfoundland and Labrador is not a GST/HST registrant. It buys office furniture for \$3,000 plus \$390 HST from Huddle Inc. on July 20, 2009. It sells the furniture on September 9, 2009, for \$1,200, collecting HST of \$156. The furniture was used in providing exempt municipal services. The sale in September is taxable even though the municipality is not a GST/HST registrant.

The rebate available would be the **lesser** of the basic tax content at the time of the sale or the HST payable on the sale.

$$\begin{aligned} \text{Basic tax content} &= (A - B) \times C \\ &= (\$390 - \$150) \times \frac{\$1,200}{\$3,000} \end{aligned}$$

$$\text{Basic tax content} = \$96$$

HST payable on the sale (13% of \$1,200) = \$156

$$\text{Rebate} = \$96$$

**Note**

The figure of \$150 is the amount of the public service bodies’ rebate (now generally 100% for municipalities), for the federal part of the HST paid in this case. For details on how to apply for this other rebate, see Guide RC4034, *GST/HST Public Service Bodies’ Rebate*.

For more information on municipalities, see Guide RC4049, *GST/HST Information for Municipalities*.

**Filing instructions**

Determine whether your rebate is equal to the basic tax content of the capital personal property or to the GST/HST payable by the recipient on the sale of the capital personal property (whichever amount is less).

Enter the amount of your rebate in Section I of Part C of the application beside “**Method (c) Other**” under “Amounts claimed.”

A municipality does not have to provide any documentation when it makes its rebate claim. However, it has to keep documents to support its claim in case we ask to see them later.

**Filing deadlines for both real property and capital personal property**

You have to file your rebate application within two years after the day the amount for your sale of the property becomes payable or is paid without having become payable, or within two years from the day the redemption period expires, if applicable. For more information, see “Restriction on claiming a rebate in the case of a seizure of real property or capital personal property” on the next page.

## Using your rebate to reduce your remittance of GST/HST

Generally, when you sell taxable real property or capital personal property, you have to collect the GST/HST from the purchaser and remit the GST/HST to us. However, there are some exceptions for taxable sales of real property.

You do not have to collect the GST/HST on a taxable sale of real property; rather, the purchaser has to remit the tax on their purchase to us directly, if:

- the purchaser is registered for the GST/HST (if, however, the purchaser is a registered individual buying a residential complex or cemetery plot, you have to collect the tax);
- you are a non-resident; or
- you and the purchaser have made a type 2 election on Form GST22, *Real Property – Election to Make Certain Sales Taxable*.

### Note

For more information about the special rules for remitting tax on a taxable sale of real property, including who has to remit the tax and how to do so, call **1-800-959-8287**.

If you are responsible for collecting the tax from the purchaser, you have to report that tax and remit it to us using Form GST62, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return (Non-Personalized)*. Generally, the amount of your remittance will be the amount you indicate as net tax on **line 109** of Form GST62. However, if you are entitled to a rebate under reason code 7, you can simply remit the difference between the net tax amount on **line 109** of Form GST62 and the amount of your rebate. To do this, enter the amount of your rebate on **line 111** of Form GST62. If you do this, the amount you will have to remit is equal to the amount on **line 109 less** the amount on **line 111**.

You have to file your rebate application together with Form GST62 if you want to reduce your remittance by the amount of your rebate.

You have to file Form GST62 within one month after the month in which the transaction occurred. We will assess penalty and interest if we do not receive Form GST62 and any net tax remittance by the due date.

### Note

Form GST62 is only available in pre-printed format and is not available for download from our Web site. To order Form GST62, go to [www.cra.gc.ca/orderforms](http://www.cra.gc.ca/orderforms) or call **1-800-959-2221**.

## Restriction on claiming a rebate in the case of a seizure of real property or capital personal property

A creditor can seize a person's real property or capital personal property for non-payment of a debt and sell it to a third party to recover the debt. If your property is seized, we consider you to have made a sale to the creditor at the time of the seizure. When such a sale is taxable, you are eligible for a rebate under reason code 7, as long as all the other conditions are met.

However, you may have a legal right under federal or provincial law, or under an agreement relating to a debt security, to redeem the property within a certain time after the creditor's sale of the property.

In such a case, you cannot apply for the rebate unless the time limit for redeeming the property has expired and you have not redeemed the property. In addition, the payment for your "sale" of the property to the creditor is deemed to have become due on the day the time limit for redeeming the property expired.

### Example

A city in Saskatchewan, a non-participating province, seized land belonging to Mr. Jones, a non-registrant, and sold it on October 1, 2009, to Mr. Smith for \$20,000 plus the GST. The \$20,000 includes the amount necessary for the city to recover Mr. Jones' tax arrears owing to the city.

Mr. Jones can redeem the land up to two years after October 1, 2009. Mr. Jones is only eligible for a rebate of the GST if the redemption period has expired and he has not redeemed the property. Therefore, he can file his rebate application only at some time after October 1, 2011. However, he has to file it before October 1, 2013. The value of the rebate will be equal to the GST calculated on the land's fair market value on October 1, 2009, or to the basic tax content of the property as of October 1, 2009, whichever amount is less.

## Reason code 8 – Indian band, tribal council, or band-empowered entity

### Eligibility

A reason code 8 rebate is available when the GST/HST has been paid on "eligible travel expenses" incurred by a band, tribal council, or band-empowered entity. As well, a reason code 8 rebate is available to a band, tribal council, or band-empowered entity when they reimburse or pay a reasonable allowance to their employees or officials for eligible travel expenses incurred on their behalf.

"Eligible travel expenses" include off-reserve services of transportation, short-term accommodation, meals, or entertainment that are acquired for "band management activities or real property on reserve."

Further, there is no rebate available under reason code 8 when the tax paid was not the GST/HST (that is, tax was imposed by a First Nation – FNT or FNGST).

## Notes

Individual Indians are not eligible to apply for a rebate under reason code 8.

Individual Indians who purchase goods or services on a reserve or goods that are delivered to a reserve, who have paid an amount as GST/HST in error to a supplier, can seek a refund or credit of the amount from that supplier. If the supplier gives a refund or credit, the individual Indians are no longer eligible for a rebate because the amount paid has already been refunded or credited. Alternatively, they can apply for a rebate of the amount under reason code 1, "Amounts paid in error." This also applies to Indian bands that buy goods that are delivered to a reserve, or services that are certified to be for band management activities or real property on reserve.

Do **not** claim a rebate under this reason code if you are a status Indian, an Indian Band, or council of an Indian band and have paid an amount equal to the 8% provincial part of the HST in Ontario for the purchase of qualifying off-reserve property or services on or after July 1, 2010. You may be entitled to apply to the Ontario Ministry of Revenue for a rebate equal to the 8% provincial part of the HST paid. Do **not** use Form GST189 to apply for this rebate.

## Filing instructions

For details on how to calculate your rebate, see "Part C – Rebate claimed" on page 24. If you are applying for a rebate under reason code 8, you have to use **Method (b)** for each invoice to complete Section I of Part C and Part F of the form. Include **original** receipts for all purchases you list on your rebate application. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

An Indian band, tribal council, or band-empowered entity can apply in writing to their local tax services office, Verification and Enforcement Division (Audit), to request a letter waiving the need to submit original receipts. The request should include details of the expected frequency of filing reason code 8 rebate claims and the estimated amount of the annual purchases subject to the rebate. Audit will issue a letter indicating if a waiver has been granted; until such time the Indian band, tribal council, or band-empowered entity is required to submit original receipts with its rebate application. The granting of the waiver is on the condition that original receipts are retained on file for audit purposes. In addition, there is still the requirement to complete the details of the rebate application section of the form.

The waiver only applies to reason code 8, not reason code 1 (amounts paid in error), rebates. Reason code 1 rebate claims still require the submission of original receipts. A separate application form is required under each reason code.

## Filing deadline

You have to file your rebate application within two years after the day you paid or remitted the amount.

You can submit only one rebate application per calendar month.

## Reason code 9 – Lease of land for residential purposes

### Eligibility

You may be eligible for a rebate of the GST/HST you paid or were deemed to have paid on land that you own or lease if you lease the land to a particular person who either assigns the lease to a third person or leases the land to a third person, and has to self-assess on a value that includes the land and remit the tax. For example, the particular person may have to self-assess if they construct and supply a house under a long-term lease for its residential use by an individual.

Calculate your rebate using the following formula:

$$A - B$$

- A** is the total of all the GST/HST that was payable for your last purchase or deemed purchase of the land (or that would have been payable on your purchase of the land if it was not part of a supply of a business where no tax was payable because you and the vendor made a joint election) and for improvements that you made to it **before** the person you are leasing the land to had to self-assess; and
- B** is the total of other rebates and input tax credits that you were entitled to claim in relation to your purchase of the property, or improvements you made to it.

### Filing instructions

Enter the result of your calculation in Section I Part C of the application beside "**Method (c) Other**" in the "Amounts claimed" column.

Include the following information on your application:

- the name and address of the person to whom you are leasing the land. If you are leasing the land to a person who constructed residential rental property on the land, be sure to give the full name (and trading name, if applicable) and address of the builder;
- whether or not the person you are leasing to is registered for GST/HST purposes;
- the address of the land; and
- the date the person to whom you are leasing the land becomes liable, or is reasonably expected to become liable, to self-assess the GST/HST on a value that includes the land.

Do not include receipts or other documents with your rebate application. However, you have to keep these documents in case we ask to see them later.

### Filing deadline

You have to file your rebate application within two years after the day the person to whom you are leasing the land has to self-assess.

For more information about this rebate, see GST/HST Memoranda Series, Chapter 19.3.5, *Rebate to Owner of Land Leased for Residential Use*.



## Reason code 10 – Non-resident recipient of a taxable supply of an installation service – rebate paid or credited by registered supplier

### Eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you are not a GST/HST registrant;
- you sold goods on an installed basis to a person who is registered for the GST/HST;
- you contracted with a supplier, who is registered for the GST/HST, to install the goods in real property located in Canada; and
- you would have had to pay the GST/HST on the installation services if the supplier had not paid or credited the rebate.

### Example

In some cases, a person **other** than the non-resident supplier of the goods may apply for the rebate.

A non-resident supplier, **not** registered for the GST/HST, sells goods on an installed basis to a person who is registered for the GST/HST. The non-resident supplier enters into a contract with a second non-resident, who is also **not** registered for GST/HST purposes, to perform the installation services.

The second non-resident further contracts with another supplier, who is registered for the GST/HST, to install the goods in real property in Canada.

In this example, the second non-resident would be the one entitled to the rebate for the GST/HST paid on the installation service, not the original supplier of the goods.

### Joint and several liability

If a supplier pays or credits such a rebate to a person and the supplier knows or ought to know that the person is not entitled to all or part of the rebate, both the supplier and the person who received the rebate are liable to repay the amount to us.

### Filing instructions

You have to complete Parts A, B, E, F, and Section I of Part C of the rebate application. If you are applying for a rebate under reason code 10, you have to use **Method (b)** when you complete Section I of Part C and Part F of the application. Make sure to indicate what you would have paid if the supplier had not paid or credited the amount to you. For details on how to complete Section I of Part C and Part F of the application form, see “Part C – Rebate claimed” on page 24.

The GST/HST-registered supplier of the installation services who pays or credits the rebate to you has to complete Part G of the application. The supplier will then send the application with his or her GST/HST return and claim the amount paid or credited on **line 107** of the return.

The registered supplier does not have to send any supporting documents (for example, a receipt or invoice for the installation service) when the GST/HST return and the rebate application are filed. Both the supplier and the purchaser need to keep their copies of these documents on file in case we ask to see them later.

### Filing deadline

The registered supplier has to file the rebate application with his or her GST/HST return for the reporting period in which he or she paid or credited the rebate and report the amount of the rebate on **line 107** of the return.

### Note

If the supplier **does not pay or credit** the rebate to you and you meet all the eligibility criteria, you can file for your rebate under reason code 11.

## Reason code 11 – Non-resident recipient of a taxable supply of an installation service – rebate not paid or credited by supplier

### Eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you are not a GST/HST registrant;
- you sold goods on an installed basis to a person who is registered for the GST/HST;
- you contracted with a supplier who is registered for the GST/HST to install the goods in real property located in Canada; and
- you paid the GST/HST on the installation service.

### Example

In some cases, a person other than the non-resident supplier of the goods may apply for the rebate.

A non-resident supplier, **not** registered for the GST/HST, sells goods on an installed basis to a person who is registered for the GST/HST. The non-resident supplier enters into a contract with a second non-resident, who is also **not** registered for the GST/HST, to perform the installation services. The second non-resident further contracts with another supplier, who is registered for the GST/HST, to install the goods in real property in Canada.

In this example, the second non-resident has to pay the GST/HST on the installation services. Therefore, the second non-resident is entitled to the rebate, not the original supplier of the goods.

### Filing instructions

For details on how to calculate your rebate and complete Section I of Part C and Part F of the application form, see “Part C – Rebate claimed” on page 24. If you are applying for a rebate under reason code 11, you have to use **Method (b)** for each invoice to complete Section I of Part C and Part F of the application. Indicate the date the installation service was completed in Part F of the application.

You have to include **original** receipts with the application for all the purchases you list. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

#### Filing deadline

You have to file your rebate application within one year after the completion of the installation service.

#### Note

In some cases, the GST/HST-registered supplier will pay or credit you your rebate at the time of your purchase. If the supplier has done this, follow the instructions for reason code 10.

### Reason code 12 – Goods imported at a place in a non-participating province, or imported at a place in a participating province with a lower HST rate

If you are resident in a participating province and have paid the provincial part of the HST on goods that you imported into Canada at a place in another province for consumption, use or supply in a province other than your province of residence, you may be entitled to a rebate of the provincial part of the HST paid or a portion thereof using reason code 12. Generally, this rebate is not available to selected listed financial institutions. However, if you are a selected listed financial institution that is an insurer or a surety, a rebate may be available in certain limited conditions. For more information, call 1-800-959-5525.

#### Calculating your rebate for the provincial part of the HST on goods imported at a place in a non-participating province, or at a place in a participating province with a lower HST rate

Use the following formula to determine the amount of the rebate you can claim for goods that are imported for consumption, use or supply exclusively in a province (90% or more):

$$A - B$$

- A** is the provincial part of the HST paid on importation; and
- B** is **either** zero for specified items (specified items relates to a property covered by the point-of-sale rebate regulation) **or** in any other case, the amount of the provincial part of the HST that would have been payable on the importation of the goods if the provincial part were calculated at the (lower) provincial rate for the province in which the goods were imported for consumption, use or supply.

You have to complete Parts A, B, E, F, and Section I of Part C of the rebate application.

#### Eligibility

You are eligible for this rebate if:

- you are a resident of a participating province and paid the HST on goods that you imported into Canada;
- the goods were imported for consumption, use or supply exclusively (90% or more) in a province (different than the participating province that the provincial part of the HST paid on importation was calculated); and
- you have paid all provincial levies, if any, that are imposed on the goods.
- **each receipt** attached to your application shows that you made eligible taxable purchases (other than zero-rated purchases) of at least **CAN\$25** (excluding the HST in a participating province or the GST and PST in the rest of Canada).

#### Filing instructions

For details on how to calculate your rebate, see “Part C – Rebate claimed” on page 24. You have to use **Method (c)** to complete Section I of Part C and Part F of the application.

You have to include **original** receipts for all purchases that you list. You also have to provide proof that you have paid all taxes imposed outside the participating provinces that are payable, if any, on all the purchases you listed. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

#### Filing deadline

You have to file your rebate application within one year from the day that the tax becomes payable.

If you are an individual, you can only claim a rebate once in each calendar quarter. Businesses can apply once every calendar month.

### Reason code 13 – Intangible personal property or services supplied in a participating province

This rebate is for the provincial part of the HST or portion thereof that has been paid by a person on supplies of intangible personal property or services acquired in a particular participating province for consumption, use or supply significantly (10% or more) in provinces for which the provincial portion of the HST is lower than the particular participating province. Generally, this rebate is not available to selected listed financial institutions. However, if you are a selected listed financial institution that is an insurer or a surety, a rebate may be available in certain limited conditions. For more information, call 1-800-959-5525.

## Calculating your rebate of the provincial part of the HST on portion thereof

Use the following formula to determine the amount of the rebate you can claim as the recipient of a supply made in a particular participating province of intangible personal property or a service:

$$A - B$$

**A** is the amount of the provincial part of the HST paid in respect of the supply; and

**B** is the total of all amounts, each of which is determined for a participating province by the formula:

$$C \times D$$

**C** is

(a) if the property or service is a specified item in respect of the participating province, zero; and

(b) in any other case, the amount of tax that, would have become payable by the person for the supply if that tax were calculated on the amount of consideration for the supply.

(i) if the tax rate for the participating province is lower than the tax rate for the particular participating province, at the tax rate for the participating province; and

(ii) in any other case, at the tax rate for the particular participating province; and

**D** is the extent (expressed as a percentage) to which you acquired the property or service for consumption, use or supply in the participating province.

## Eligibility

You are eligible for this rebate if:

- you are a resident of Canada and paid the HST on a supply of intangible personal property or a service; and
- the intangible personal property or service is acquired for consumption, use, or supply significantly (10% or more) in provinces for which the provincial portion of the HST is lower than the participating province in which the intangible personal property or service was acquired. Note that in respect of a non-participating province, the provincial portion of the HST is treated as being 0%.
- **each receipt** attached to your application shows that you made eligible taxable purchases (other than zero-rated purchases) of at least **CAN\$25** (excluding the HST in a participating province or the GST and PST in the rest of Canada) and shows tax of at least **CAN\$5**.

## Filing instructions

You have to complete Parts A, B, E, F, and Section I of Part C of the rebate application.

You have to use **Method (c)** when completing Section I of Part C and Part F of the application. Make sure to list all purchase details in Part F and enter the result of your calculation under "**Method (c) Other**." If you need more space to list all the details of your purchases in Part F, use Form GST288, *Supplement to Forms GST189 and GST498*, to list the rest of the amounts.

Add all the amounts you listed in Part F and on Form GST288, if you used it, under "Other." Enter the total at the bottom of that column and in Section I of Part C beside "**Method (c) Other**" under the "Amounts claimed" column.

You have to include **original** receipts for all purchases that you list. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

## Filing deadline

You have to file your rebate application within one year from the day that the tax became payable.

If you are an individual, you can only claim a rebate once in each calendar quarter. Businesses can apply once every calendar month.

## Reason code 14 – Segregated fund receives taxable specified services from insurer – rebate paid or credited by insurer

This rebate allows an insurer's segregated fund to claim a rebate of the provincial part of the HST payable on "specified services" to the extent that the fund holds or invests funds for persons who are resident outside the participating provinces, where the fund and the insurer elect to have the insurer pay or credit the amount of the rebate to the fund.

## Calculating your rebate for the provincial part of the HST

If you are eligible for a rebate of the provincial part of the HST, multiply the amount of the HST by:

- 7/12 for those purchases taxed at 12%;
- 8/13 for those purchases taxed at 13%; or
- 10/15 for those purchases taxed at 15%.

For purposes of this rebate, "specified services" include any management or administrative services supplied to a segregated fund by the insurer, as well as any other services provided to the fund by the insurer.

The rebate is available regardless of whether the fund consumes or uses the services outside the participating provinces. When the fund or plan has self-assessed the HST on services acquired outside the participating provinces, the amount of the rebate is adjusted to reflect the fact that the HST is payable only to the extent that the service was acquired to be consumed or used in the participating provinces.

## Eligibility

An insurer may pay or credit the amount of the rebate to you if:

- you are a segregated fund of the insurer;
- you are not a selected listed financial institution;
- you are the recipient of a taxable “specified service” from the insurer;
- the insurer would usually have to collect the HST from you on the value of the service;
- you hold or invest funds for the benefit of persons who are resident outside the participating provinces; and
- you and the insurer **elect** to have the insurer pay or credit the rebate to you (see below).

## Election

As a segregated fund of an insurer, you and the insurer may elect to have the insurer pay or credit to you the amount of your rebate. The election is made by the insurer completing Part G of the rebate application.

### Note

There is no separate election form.

## Joint and several liability

When an insurer, in determining its net tax for a reporting period, deducts a rebate it paid or credited to a segregated fund and the insurer knows or ought to know that the segregated fund is not entitled to all or part of the rebate, the insurer and the segregated fund are both liable to repay the amount to us.

## Filing instructions

Determine the amount of your rebate by using whichever **one** of the following two formulas applies:

- 1) If the specified services have been supplied in a participating province:

$$A \times B$$

**A** is the provincial part of the HST; and

**B** is the percentage at which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident outside the participating provinces.

- 2) If the specified services have been supplied outside the participating provinces and you have to self-assess the provincial part of the HST:

$$A - (B \times C)$$

**A** is the provincial part of the HST that you had to self-assess;

**B** is the provincial part of the HST that you would have to self-assess if you acquired the services to consume, use, or supply exclusively in the participating provinces; and

**C** is the percentage at which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident in the participating provinces.

You have to complete Parts A, B, E, F, and Section I of Part C of the rebate application. Use **Method (c)** to complete Section I of Part C and Part F of the application.

Enter the purchase details of the specified service in Part F of the rebate application. Also enter the result of your calculation, based on the formula on the previous page, under “Other” in Part F. If you need more space to list all the details of your purchases, use Form GST288, *Supplement to Forms GST189 and GST498*, to list the rest of the amounts.

Add all amounts you listed in Part F and on Form GST288, if you used it, under “Other.” Enter the total at the bottom of that column and in Section I of Part C beside “**Method (c) Other**” under the “Amounts claimed” column.

Your rebate claim must relate to taxable purchases you made (other than purchases of zero-rated supplies) that total at least **CAN\$200** (excluding the HST).

The insurer does not have to send any supporting documents (for example, receipts, invoices, or contracts) relating to the specified services when the GST/HST return and the rebate application are filed. Both the insurer and the segregated fund need to keep their copies of these documents on file in case we ask to see them later.

## Filing deadline

The segregated fund must submit its rebate application to the insurer within one year after the day the tax in respect of the specified services becomes payable. The insurer has to complete Part G and send the rebate application with the GST/HST return for the period in which the insurer paid or credited the rebate. The insurer claims the amount of the rebate on **line 107** of the return.

The segregated fund can submit an application once every calendar month.

If you are required to self-assess the provincial part of the HST, see the “Notes” in reason code 15 on the next page.

### Note

If you have any rebate applications that relate to your GST/HST return that you are filing electronically, the rebate applications should be sent **by mail** to the Summerside Tax Centre.

## Reason code 15 – Specified services supplied to an investment plan or a segregated fund

This rebate allows an investment plan or an insurer’s segregated fund to claim a rebate of the provincial part of the HST payable on “specified services” to the extent that the plan or fund holds or invests funds for persons who are resident outside the participating provinces.

## Calculating your rebate for the provincial part of the HST

If you are eligible for a rebate of the provincial part of the HST, multiply the amount of the HST by:

- 7/12 for those purchases taxed at 12%;
- 8/13 for those purchases taxed at 13%; or
- 10/15 for those purchases taxed at 15%.

For purposes of this rebate, “specified services” includes any management or administrative services supplied to an investment plan or a segregated fund by a person, as well as any other services provided to the plan or fund by the same person.

The rebate is available regardless of whether the plan or fund consumes or uses the services outside the participating provinces. When the fund or plan has self-assessed the HST on services acquired outside the participating provinces, the amount of the rebate is adjusted to reflect the fact that the HST is payable only to the extent that the service was acquired to be consumed or used in the participating provinces.

### Eligibility

You are eligible for this rebate if:

- you are an investment plan or an insurer’s segregated fund;
- you are not a selected listed financial institution;
- you are the recipient of taxable “specified services”;
- you are required to pay to the supplier, or to self-assess, the provincial part of the HST; and
- you hold or invest funds for the benefit of persons who are resident outside the participating provinces.

### Filing instructions

Determine the amount of your rebate by using whichever **one** of the following two formulas applies:

- 1) If the specified services have been supplied in a participating province:

$$A \times B$$

**A** is the provincial part of the HST; and

**B** is the percentage at which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident outside the participating provinces.

- 2) If the specified services have been supplied outside the participating provinces and you have to self-assess the provincial part of the HST:

$$A - (B \times C)$$

**A** is the provincial part of the HST that you had to self-assess;

**B** is the provincial part of the HST that you would have to self-assess if you acquired the services to consume, use, or supply exclusively in the participating provinces; and

**C** is the percentage at which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident in the participating provinces.

You have to complete Parts A, B, E, F, and Section I of Part C of the rebate application. Use **Method (c)** to complete Parts C and F of the application.

Enter the purchase details of the specified service in Part F of the rebate application. Also enter the result of your calculation, based on the formula on the previous page, under “Other” in Part F. If you need more space to list all the details of your purchases, use Form GST288, *Supplement to Forms GST189 and GST498*, to list the rest of the amounts.

Add all the amounts you listed in Part F and on Form GST288, if you used it, under “Other” in Part F. Enter the total at the bottom of that column and in Section I of Part C beside “**Method (c) Other**” under the “Amounts claimed” column.

The **total** of all the taxable purchases (other than zero-rated purchases) for which you request a rebate has to be at least **CAN\$200** (excluding the HST).

Do not include original receipts with your application. However, you have to keep these documents in case we ask to see them later.

### Filing deadline

You have to file your rebate application within one year from the day that the tax became payable on the specified services.

The investment plan or segregated fund can submit an application once every calendar month.

### Notes

If you are not a GST/HST registrant, and you have to self-assess the provincial part of the HST on property or services brought into a participating province, use Form GST489, *Return for Self-Assessment of the Provincial Part of Harmonized Sales Tax (HST)*.

If you are not a GST/HST registrant, and you have to self-assess the provincial part of the HST on an imported taxable supply, use Form GST59, *GST/HST Return for Imported Taxable Supplies and Qualifying Consideration*.

If you are a GST/HST registrant and you are required to self-assess the provincial part of the HST, use **line 405** of your regular GST/HST return.

### Reason code 16 – Provincial point-of-sale rebate on designated items

Currently, the governments of Nova Scotia, New Brunswick, and Newfoundland and Labrador provide a point-of-sale rebate of the provincial part of the HST payable on designated items (books only).

On July 1, 2010, Ontario and British Columbia (BC) replaced their existing provincial sales tax and the GST with the HST.

As of July 1, 2010, Ontario and BC provide point-of-sale rebates for the provincial part of the HST payable on books as well as other designated items (as indicated on the next page). The point-of-sale rebate in Nova Scotia will also include additional items. As a result, vendors collect only the 5% federal part of the HST payable on the sale of these items.

## Designated items in all participating provinces

### Books

Books eligible for the point-of-sale rebate include:

- a printed book or an update of a printed book;
- an audio recording, all or substantially all of which is a spoken reading of a printed book;
- composite property that consists of a printed book and a read-only medium (and/or a right to access a Web site under certain conditions), which is wrapped, packaged or prepared for sale as a single product under specific situations; and
- a bound or unbound printed version of scripture of any religion.

### Note

A printed book is not, for example, a newspaper; a magazine; a brochure or pamphlet; a colouring book or book designed primarily for writing or drawing on; a program relating to an event or performance; or an agenda or calendar.

For more information, see GST/HST Memorandum 13.4, *Rebates for Printed Books, Audio Recordings of Printed Books, and Printed Versions of Religious Scriptures*.

## Designated items in British Columbia, Nova Scotia and Ontario

### Children's clothing

Children's clothing designed for babies (including baby bibs, bunting blankets, and receiving blankets), girls, and boys up to and including girls' Canada standard size 16 and boys' Canada standard size 20, or clothing designated for girls and boys in sizes small, medium, or large if the clothing does not have a designated Canada standard size (including hosiery or stretchy socks, hats, ties, scarves, mittens, and gloves in sizes and styles designed for children or babies). Children's clothing eligible for the point-of-sale rebate would not include costumes, protective equipment, sports clothing, or any garments of a class that is used exclusively in sports or recreational activities.

### Children's footwear

Children's footwear designed for babies, girls, and boys, that has an insole length of 24.25 centimetres or less. Children's footwear eligible for the point-of-sale rebate would not include footwear that is used exclusively in sports or recreational activities (such as skates, rollerblades, ski boots, or cleats).

## Children's diapers

Diapers, including cloth and disposable diapers designed for babies and children, diaper inserts and liners, rubber pants, and training pants. Incontinence products would be zero-rated under the HST, in accordance with current GST rules.

## Feminine hygiene products

Feminine hygiene products, including sanitary napkins, tampons, sanitary belts, or other products marketed exclusively for purposes similar to the purposes for which sanitary napkins, tampons, and sanitary belts are marketed.

## Designated items in British Columbia and Ontario

### Children's car seats and car booster seats

Children's car seats and car booster seats that are restraint systems or booster cushions that conform with Transport Canada's safety requirements for Standards 213, 213.1, 213.2, and 213.5, as described under the federal *Motor Vehicle Safety Act*.

## Designated items in Ontario only

### Qualifying newspapers

Print newspapers that contain news, editorials, feature stories, or other information of interest to the general public, and that are published at regular intervals, typically on a daily, weekly, or monthly basis, would qualify for the point-of-sale rebate. Flyers, inserts, magazines, shoppers and periodicals would **not** qualify.

### Qualifying prepared food and beverages

Qualifying prepared food or beverages that are ready for immediate consumption and that are sold for a total consideration of not more than **\$4.00**, whether consumed on or off the premises where they are sold. Qualifying items would include:

- food or beverages heated for consumption;
- salads not canned or vacuum sealed;
- sandwiches and similar products other than when frozen;
- platters of cheese, cold cuts, fruit, or vegetables, and other arrangements of prepared food;
- cakes, muffins, pies, pastries, tarts, cookies, doughnuts, brownies, croissants with sweetened filling or coating, or similar products when they are not pre-packaged for sale to consumers and are sold as single servings in quantities of less than six;
- ice cream, ice milk, sherbet, frozen yogurt or frozen pudding, non-dairy substitutes for any of the foregoing, or any product that contains any of the foregoing sold in single servings and not pre-packaged;
- other food items that are excluded from zero-rated GST/HST treatment as basic groceries solely by virtue of the types of sales made at the establishment where they are sold (for example, the sale of a bagel or a plain croissant in a restaurant); or
- non-carbonated beverages, when dispensed at the place they are sold.

When excluded from zero-rated GST/HST treatment as basic groceries:

- milk (flavoured or unflavoured);
- soy rice or almond-based beverages, or similar non-dairy beverages that are substitutes for milk; or
- non-carbonated fruit juice or fruit flavoured beverages, other than milk-based beverages, that contain 25% or more by volume of a natural fruit juice or a combination of natural fruit juices, or a natural fruit juice or a combination of natural fruit juices that have been reconstituted into the original state.

When sold with a qualifying food item listed above and the supply of which is not a zero-rated supply:

- carbonated beverages, when dispensed at the place they are sold; or
- other beverages (including carbonated beverages not listed above) when sold in a can, bottle, or other primary container that contains a quantity **not** exceeding a single serving and not sold in multiples, pre-packaged by the manufacturer or producer, of single servings.

When supplied in combination with a qualifying food item listed above for a single consideration:

- cakes, muffins, pies, pastries, tarts, cookies, doughnuts, brownies, croissants with sweetened filling or coating, or similar products when they are pre-packaged for sale to consumers in quantities of less than six items each of which is a single serving;
- ice cream, ice milk, sherbet, frozen yogurt or frozen pudding, non-dairy substitutes for any of the foregoing, or any product that contains any of the foregoing, when pre-packaged and sold in single servings; or
- other snack foods, such as chips, salted nuts, popcorn, candies, fruit bars, and granola bars.

Wine, spirits, beer, malt liquor, or other alcoholic beverages would not be a qualifying beverage for the purpose of the point-of-sale rebate.

#### Single transaction

In calculating whether qualifying prepared food and beverages will be sold for a total price of \$4.00 or less, only the qualifying prepared food and beverages are included in the calculation of the \$4.00 threshold.

#### Example

After working late one night, Nadia stops by her local grocery store on her way home to pick up a few items, including a few loaves of bread, cat litter, a roast beef sandwich for \$2.50, and a 350mL bottle of apple juice for \$1.00.

For the purposes of determining if Nadia will be eligible for the Ontario HST point-of-sale rebate on the sandwich and the apple juice, the grocery store ignores the bread and the cat litter in calculating the \$4.00 threshold. Since the sandwich plus the apple juice are sold for a total of \$4.00 or less, the grocery store will automatically provide Nadia with the point-of-sale rebate, crediting the Ontario component of the HST and only collecting the 5% federal component of the HST on the sandwich and the apple juice.

With respect to the bread and cat litter purchased, the bread is a zero-rated item for GST/HST purposes and the cat litter is subject to the full 13% HST.

#### Designated items in British Columbia only

##### Motor fuels

The following would qualify as motor fuel:

- gasoline-type fuels, including ethanol-gasoline blends, that are suitable for use in internal combustion engines and are marketed or sold as fuel for that purpose;
- diesel, bio-diesel, and bio-diesel blends, but not including heavy fuel oil, that are suitable for use in internal combustion engines of the compression-ignition type and are marketed or sold as fuel for that purpose, other than any such fuel that is marketed or sold as fuel for use as heating oil, including locomotive fuel and marine diesel, marketed or sold as fuel for use in trains or boats; and
- aircraft fuel, including aviation gasoline and jet fuel that is suitable for use in an engine or in a turbine that propels an aircraft and is marketed or sold as fuel for that purpose.

The following fuels (including any bio-fuel equivalent or blend) would **not** qualify:

- heating oil and furnace oil;
- heavy fuel oil, including marine bunker fuel (or bunker oil);
- hydrogen;
- kerosene (excluding jet fuel);
- natural gas and natural gas liquids (for example, liquefied natural gas); and
- propane and liquefied petroleum gas.

##### Eligibility

Generally, if you buy a designated item in a participating province that provides a provincial point-of-sale rebate for the designated item, the registrant supplier will credit you with the rebate of the provincial part of the HST due at the time of your purchase. This means that you usually will not pay the provincial part of the HST when you buy a designated item in a participating province that provides a provincial point-of-sale rebate for the designated item.

The point-of-sale rebate would not only apply to sales of designated items at retail establishments, but would also be available on sales of designated items made at any point in the distribution chain. The point-of-sale rebate would also apply to sales of designated items made over the Internet.

However, if the registrant supplier does not credit the rebate to you, you can apply for a rebate under reason code 16.

You are eligible for this rebate if you:

- bought a designated item in a participating province that provides a provincial point-of-sale rebate for the designated item you paid the provincial part of the HST and the registrant supplier did not credit you with the rebate of the provincial part of the HST due at the time of your purchase; or
- brought a designated item into a participating province that provides a provincial point-of-sale rebate in for the designated item and you have self-assessed and remitted the provincial part of the HST at the applicable rate for the participating province.

If the registrant supplier did not credit you with the rebate of the provincial part of the HST due at the time of your purchase and you are a registrant acquiring the designated items for use or supply in the course of a commercial activity, you can claim an input tax credit to recover the 5% federal part of the HST paid. You cannot claim an input tax credit to recover the provincial part of the HST paid, but you can apply for a rebate under reason code 16.

#### Calculating your rebate for the provincial part of the HST

If you are eligible for a rebate of the provincial part of the HST, multiply the amount of the HST by:

- 7/12 for those purchases taxed at 12%;
- 8/13 for those purchases taxed at 13%;
- 8/14 for those purchases taxed at 14%; or
- 10/15 for those purchases taxed at 15%.

#### Filing instructions

For details on how to calculate your rebate, see “Part C – Rebate claimed” later on this page. Use **Method (c)** to complete Section I of Part C and Part F of the application form.

You have to include **original** receipts with the application for all the purchases you list. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

#### Filing deadline

You have four years from the day the tax became payable to file your rebate application.

#### Reason code 23 – Ontario First Nations point-of-sale relief

The Government of Ontario has announced that, effective September 1, 2010, it will provide point-of-sale relief equal to the 8% provincial part of the HST to Indians, Indian bands, and councils of an Indian band for purchases of qualifying property and services made off a reserve. This relief is referred to as the Ontario First Nations point-of-sale relief.

As a result, GST/HST registrant suppliers in Ontario credit an amount equal to the 8% provincial part of the HST at the point of sale beginning September 1, 2010.

For information on what goods or services qualify, who is eligible, and the documents required to support the amounts credited, go to the Ontario Ministry of Revenue Web site at [www.rev.gov.on.ca/en/taxchange/firstnations.html](http://www.rev.gov.on.ca/en/taxchange/firstnations.html).

#### Note

Do **not** claim a rebate under this reason code if you are a status Indian, an Indian Band, or council of an Indian band and have paid an amount equal to the 8% provincial part of the HST in Ontario for the purchase of qualifying off-reserve property or services on or after July 1, 2010. You may be entitled to apply to the Ontario Ministry of Revenue for a rebate equal to the 8% provincial part of the HST paid. Do **not** use Form GST189 to apply for this rebate.

#### How to account for the Ontario First Nations point-of-sale relief

On the GST/HST return, a GST/HST registrant supplier that credits amounts for the Ontario First Nations point-of-sale relief would:

- include the amount of HST collected or collectible for these supplies on **line 103** at the **full 13%** rate (if you are filing your GST/HST return electronically, include this amount on **line 105**);
- report the amounts credited at the point of sale on **line 111**; and
- submit Form GST189, *General Application for Rebate*. On Form GST189, indicate in Section II of Part C the reporting period in which the amounts credited at the point of sale have been set-off on **line 111**.

For more information, see GST/HST Info Sheet GI-106, *Ontario First Nations Point-of-Sale Relief Reporting Requirements for GST/HST Registrant Suppliers*.

#### Note

You have to file a separate Form GST189 for each reason code.

#### Remission order

If you are filing this form as a result of a remission order granted under the *Financial Administration Act*, place a tick mark in the unnumbered box in Part B of the application beside the words “Remission order.”

#### Part C – Rebate claimed

Complete Section I to calculate the GST/HST paid on purchases under reason codes 1, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16.

Complete Section II to claim the Ontario First Nations point-of-sale relief under reason code 23 only.

#### Section I – Rebate calculation

Complete the following steps to calculate your rebate under reason codes 1, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16.



## Step 1 – Decide which calculation method you will use

The first step is to decide which calculation method you will use to calculate the amount of your rebate. There are two possible methods: **Method (b)** and **Method (c)**. The calculation method you use depends on the reason code under which you are applying for a rebate. For the reason code applicable to your claim, see “Part B – Reason for rebate request” on page 8.

### Method (b) – Actual GST/HST paid

You **have to** use **Method (b)** if you are applying for a rebate under reason code 4, 5, 8, 10, or 11. You also use this method if you are applying for a rebate under reason code 1 (other than for a rebate of the difference between the old and new GST/HST rates, see **Method (c)** below).

See “Step 2 – Complete Part F of the application” below.

### Method (c) – Other

You **have to** use **Method (c)** when you are applying for a rebate under reason code 7, 9, 12, 13, 14, 15, or 16. You also use this method if you are applying for a rebate under reason code 1 because you were incorrectly charged the GST/HST at the old rate.

This could happen on or after January 1, 2008, if you paid 6% GST or 14% HST, when 5% GST or 13% HST should have been applied. It could also happen if on or after July 1, 2006, you paid 7% GST or 15% HST when 6% GST or 14% HST should have applied.

See “Step 2 – Complete Part F of the application” below.

## Step 2 – Complete Part F of the application

You **have to** complete Part F **before** you complete Section I of Part C. This is because you enter some information in Part F that you will use to calculate the amount of your rebate in Section I of Part C.

For information on completing Part F, see “Part F – Details of rebate application” on page 26.

## Step 3 – Complete Section I of Part C of the application

Complete Section I of Part C of the rebate application form.

The first column of the chart in Section I lists the different calculation methods: **Method (b)** and **Method (c)**.

Enter the total you calculated in Part F of the application in Section I beside its related method.

Next, add all of the amounts you entered under the “Amounts claimed” column and enter the total at the bottom of that column beside “Total rebate claimed.” This is the total amount of your rebate.

For an example of how to complete Section I of Part C and Part F of the rebate application, see “Example of Section I of Part C and Part F on Form GST189” on page 27.

## Reducing the amount of net tax owing on your GST/HST return by your rebate

Answer **yes** to the question at the bottom of Section I of Part C only if you are filing your rebate application with your GST/HST return and are reducing your net tax by the amount of your rebate. If you are doing this, you have to indicate the reporting period of your GST/HST return on the rebate application. If you are applying for a rebate under reason code 10, 14, or 16, **do not** claim your rebate on **line 111** of your GST/HST return. In the case of reason code 10 or 14, the registered supplier who paid or credited the rebate to you will file your rebate application with his or her GST/HST return, claiming an adjustment on **line 107**. In the case of reason code 16, you must file your rebate application with the Summerside Tax Centre.

## Section II – Ontario First Nations point-of-sale relief

Complete this section to report your total amount claimed for the Ontario First Nations point-of-sale relief credited on your off-reserve supplies of qualifying property and services.

Complete this section for **reason code 23 only**. If you ticked **reason code 23** in Part B of Form GST189, you **cannot** claim a rebate for any other reason codes on the application form. Instead, file a separate application for each reason code.

## Part D – Third party address

Complete Part D **only** if a third party is filing this rebate application on behalf of the claimant and the claimant previously signed and sent us Form GST507, *Third Party Authorization and Cancellation of Authorization for GST/HST Rebates*, or is attaching Form GST507 to the rebate application.

Form GST507 allows the third party to either:

- sign and file the rebate application on the claimant’s behalf **and** receive the rebate cheque (made payable to the claimant); or
- file the rebate application, signed by the claimant, **and** receive the rebate cheque (made payable to the claimant).

The third party information in Part D of the rebate application must match the information given by the claimant on Form GST507.

Tick the appropriate box in Part D to tell us whether Form GST507 is attached to the rebate application or whether it was previously provided to us for this third party.

Please note that **completion of Part D does not authorize a third party to sign or file the rebate application or to receive the rebate cheque**. If you are filing a general application for a rebate and you want to authorize a third party to act on your behalf (for example, to sign and file the rebate application for you **and** to receive the rebate cheque(s) made payable to you), complete Form GST507. Send this form to us with the rebate application, unless it was previously sent to us authorizing this third party and the authorization is still in effect when you claim your rebate.

**Do not** complete Part D if you are applying for a rebate under reason code 10, 14, or 23.

**Note**

A claimant may choose to authorize a third party for a specific period and indicate this on Form GST507. If the claimant does this, the period covered by the rebate application **must** fall within the period of authorization indicated by the claimant on Form GST507.

We will keep authorizations on file, both for specific periods and indefinite periods of time. Do not submit the same authorization with every application. However, if any information on Form GST507 changes, the claimant has to send us another authorization form with the new information.

You can also use Form GST507 to cancel a third party authorization.

**Part E – Certification**

You have to sign your rebate application, or a representative you have authorized using Form GST507, can sign your rebate application on your behalf. We will return any unsigned rebate applications we receive.

**Note**

If you are filing an application under reason code 10 or 14 because a GST/HST - registered supplier or insurer paid or credited you with your rebate, you are still considered to be the legal claimant. Therefore, you have to sign Part E of the rebate application. The registered supplier or insurer cannot complete this part.

**Part F – Details of rebate application**

This part explains “Step 2 – Complete Part F of the application” on the previous page. If you have not yet completed “Step 1 – Decide which calculation method you will use,” go back to the previous page before completing Part F of the rebate application.

Part F is broken down into six columns. In the first four columns, enter the date of the purchase or the invoice date, the invoice number or import entry number, the supplier’s name, and a brief description of the purchase.

**Using calculation Method (b)**

The fifth column in Part F of the rebate application is for calculation **Method (b)**. Enter the actual amount of the GST/HST you paid in this column. If you need more space to list all the details of your purchases in this column, use Form GST288, *Supplement to Forms GST189 and GST498*, to list the rest of the purchases.

Add all the amounts of all the purchases you listed in Part F and on Form GST288, if you used it, under “Actual GST/HST paid” and enter the total at the bottom of the column.

Using the total you arrived at after you completed Part F, including the total from Form GST288 (if completed), complete Section I of Part C of the application form. For details on how to complete Section I of Part C, see “Step 3 – Complete Section I of Part C of the application” on the previous page.

Make sure to list all purchase details in Part F. For an example, see “Example of Section I of Part C and Part F on Form GST189” on the page 27.

**Using calculation Method (c)**

The sixth column in Part F of the rebate application is for calculation **Method (c)**. There is no standard calculation you have to use when you file your application using calculation **Method (c)**. This method is used when only a part of the GST/HST you paid is rebatable or when there is a specific calculation that must be completed separately to determine the amount of a rebate. For example, if you are applying for a rebate under reason code 12, the amount of your rebate is based on a formula that is specific to that particular rebate. Therefore, each calculation will be different depending on your situation.

Calculate the amount of your rebate based on the instructions for the applicable reason code and enter the amount under “Other” in Part F.

If you need more space to list all the details of your purchases in this column, use Form GST288 to list the rest of the details.

Add all the amounts you listed in Part F and on Form GST288, if you used it, under “Other,” and enter the total at the bottom of the column.

Using the total you arrived at after you completed Part F, including the total from Form GST288 (if completed), complete Section I of Part C of the application form. For details on how to complete Section I of Part C, see “Step 3 – Complete Section I of Part C of the application” on page 25.

Make sure to list all purchase details in Part F. For an example, see “Example of Section I of Part C and Part F on Form GST189” on the next page.

**Part G – Registered supplier identification OR insurer election**

Complete Part G if you are claiming a rebate under reason code 10 or 14.

If you are applying for a rebate under reason code 10, by completing Part G you indicate that you have submitted your rebate application to the GST/HST-registered supplier instead of to us. If you and the supplier have agreed to do this, the supplier pays or credits you with your rebate at the time of your purchase. For details on applying for a rebate under reason code 10, see page 17.

If you are applying for a rebate under reason code 14, by completing Part G you indicate that you and the insurer have jointly elected to have the insurer pay or credit you with your rebate. For details on applying for a rebate under reason code 14, see page 19.

An authorized official for the GST/HST-registered supplier or insurer has to complete and sign Part G of the rebate application.

## Example of Section I of Part C and Part F on Form GST189

See page 24 for information on how to complete Section I of Part C of the application and page 26 for information on how to complete Part F.

The figures in the "Amounts claimed" column in Section I of Part C are taken from Part F, below. This example applies to reason code 1.

### Part C – Rebate claimed Section I

Calculation method	Amounts claimed (Total from reverse or Supplements)
<b>Method (b)</b> Actual GST/HST paid (for code 1 in certain cases, and for codes 4, 5, 8, 10, and 11, see Guide RC4033)	\$5.25
<b>Method (c)</b> Other (for code 1 in certain cases, and for codes 7, 9, 12, 13, 14, 15, and 16, see Guide RC4033)	+ \$99.50
<b>Total rebate claimed</b>	= \$104.75

### Part F – Details of rebate application

<b>Method (b)</b> Actual GST/HST paid (for code 1 in certain cases, and for codes 4, 5, 8, 10, and 11, see Guide RC4033); or <b>Method (c)</b> Other (for code 1 in certain cases, and for codes 7, 9, 12, 13, 14, 15, and 16, see Guide RC4033).					Purchases	
Date	Invoice No. or Import entry No.	Supplier's name	Brief description of purchases	Actual GST/HST paid	Other	
1	Feb 14/09	IN 601	Perkins Bicycles	3 gear changers	\$5.25	
2	Feb 15/09	205	Hocking Parts	1 roll of 7/8"	+	+ \$3.50
3	Mar 20/09	7905	Huddle Inc.	3 piece office suite	+	+ \$96.00
<b>Total</b> (forward to Part C – Rebate claimed)				<b>(b)</b> = \$5.25	<b>(c)</b> = \$99.50	

## Tax services offices

If you are located in the United States:	If you are located outside the United States:	Contact the following tax services office:
Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington	Asia, Australia, and Russia	Vancouver Tax Services Office 1166 West Pender Street Vancouver BC V6E 3H8 Telephone: <b>604-691-4308</b> Fax: <b>604-691-4907</b>
Alabama, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, and Wisconsin	Africa, Central America, France, Luxembourg, Middle East and Gulf States, South America, Switzerland, West Indies, and all other countries	Windsor Tax Services Office 185 Ouellette Avenue PO Box 1655 Windsor ON N9A 7G7 Telephone: <b>519-252-4705</b> Fax: <b>519-971-2011</b>
Arkansas, Colorado, Iowa, Kansas, Louisiana, Maine, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming	Albania, Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, and the United Kingdom	Nova Scotia Tax Services Office 1557 Hollis Street PO Box 638 Halifax NS B3J 2T5 Telephone: <b>902-426-5150</b> Fax: <b>902-426-4888</b>



## For more information

Contact us if, after reading this guide, you would like to get forms or publications, or you need more help.

To get forms or publications, go to [www.cra.gc.ca/gsthstpub](http://www.cra.gc.ca/gsthstpub) or call 1-800-959-2221.

For more information, go to [www.cra.gc.ca/gsthst](http://www.cra.gc.ca/gsthst) or call 1-800-959-5525.

### Teletypewriter (TTY) users

TTY users can call 1-800-665-0354 for bilingual assistance during regular business hours.

### Direct deposit



Direct deposit is a safe, convenient, dependable, and time-saving method of receiving your GST/HST refunds and rebates. If you are expecting refunds or rebates when you file your GST/HST returns or rebate applications, you can send us a completed Form GST469, *Direct Deposit Request*. To get Form GST469, go to [www.cra.gc.ca/dd-bus](http://www.cra.gc.ca/dd-bus) or call 1-800-959-2221.

### GST/HST electronic filing and remitting

You have several options for filing your GST/HST return or remitting an amount owing electronically. For more information, go to [www.cra.gc.ca/gsthst-filing](http://www.cra.gc.ca/gsthst-filing).

### My Business Account

Access your business accounts online through My Business Account. With the wide range of services offered, you can:

- view your account balances and transactions;
- transfer payments;
- get additional remittance vouchers;
- calculate a future balance;
- calculate your instalment payments;
- make online requests for financial transactions;
- authorize your employees and representatives to have immediate online access;
- file a GST/HST return electronically;

- view the status of a return;
- view certain correspondence (for example, notices and letters); and
- view your banking information.

To use My Business Account, you need a user ID and password. To register for these secure online services or to check for new services, go to [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount).

### My Payment

My Payment is a payment option that allows individuals and businesses to make payments online, using the Canada Revenue Agency's Web site, from an account at a participating Canadian financial institution. For more information on this self-service option, go to [www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment).

### Our service complaint process

If you are not satisfied with the **service** you have received, contact the Canada Revenue Agency (CRA) employee you have been dealing with (or call the phone number you have been given). If you still disagree with the way your concerns are being addressed, ask to discuss the matter with the employee's supervisor.

If the matter is still not resolved, you have the right to file a service complaint by completing Form RC193, *Service-Related Complaint*. If you are still not satisfied with the way the CRA has handled your complaint, you can contact the Taxpayers' Ombudsman.

For more information, go to [www.cra.gc.ca/complaints](http://www.cra.gc.ca/complaints) or see Booklet RC4420, *Information on CRA – Service Complaints*.

### Your opinion counts

If you have any comments or suggestions that could help us improve our publications, we would like to hear from you. Please send your comments to:



Taxpayer Services Directorate  
Canada Revenue Agency  
750 Heron Road  
Ottawa ON K1A 0L5