
INFORMATION BULLETIN

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Ministry of Finance

REBATES MEAN NO TAX INCREASE FOR SCHOOLS AND HOSPITALS

VICTORIA – New provincial rebates proposed for qualifying schools, universities, public colleges and hospital authorities will ensure that, on average, these institutions pay no more tax when HST is implemented on July 1, 2010.

The partial rebates of the provincial portion of the Harmonized Sales Tax (HST) will ensure that, on average, these sectors will not pay any more provincial HST after harmonization than they currently pay in PST. The rebates recognize that HST will apply to a broader range of goods and services than the PST and also reflect the fact that schools, universities, public colleges and hospital authorities currently pay PST on most goods and certain services.

When the HST is implemented, B.C. intends to provide rebates of:

- 87 per cent of the provincial portion of the HST for eligible schools.
- 75 per cent of the provincial portion of the HST for eligible universities and public colleges.
- 58 per cent of the provincial portion of the HST for eligible hospital and health authorities.
- 58 per cent of the provincial portion of the HST for eligible facility operators and external suppliers.

These percentages were set based on data provided by Statistics Canada and were set at levels to ensure that, on average, entities in these sectors will pay no more tax under HST than they would have under PST. The rebates are designed to mitigate the impact of the HST while providing certainty for eligible organizations.

All entities that are eligible for the GST rebate will be eligible for the provincial HST rebate. The provincial rebates will be administered by the Canada Revenue Agency together with the GST rebate.

These rebates are in addition to the rebates previously announced for municipalities, charities and qualifying not-for-profit organizations.

On July 1, 2010, British Columbia proposes to adopt the harmonized sales tax (HST), combining a seven per cent B.C. rate with the five per cent federal Goods and Services Tax. The provincial sales tax (PST) will be eliminated.

For more information on the HST, visit www.gov.bc.ca/hst.

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