



Canada Revenue
Agency

Agence du revenu
du Canada

Basic GST/HST Information for Taxi and Limousine Drivers

Is this guide for you?

This guide is for you if you are a self-employed taxi or limousine driver in the taxi business and you need basic information about the goods and services tax/harmonized sales tax (GST/HST). This guide is not for you if you are an employee of a taxi owner or taxi company.

Are you self-employed?

You are usually self-employed if you are in one of the following situations:

- you own your taxicab/limousine;
- you lease a taxicab/limousine from an owner for a flat fee, either on a daily, weekly, or monthly basis; or
- you lease the taxicab/limousine from an owner for a percentage of fares.

If you are not sure whether you are self-employed or an employee, you can request a ruling to have your status determined. Use Form CPT1, *Request for a Ruling as to the Status of a Worker under the Canada Pension Plan and/or the Employment Insurance Act*.

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, or call 1-800-567-4692.

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 or call 1-800-959-2221.

La version française de cette publication est intitulée *Renseignements généraux sur la TPS/TVH pour les chauffeurs de taxis et de limousines*.

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.

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.

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Taxi business

Taxi business means a business of transporting passengers by taxi for fares that are regulated by federal or provincial laws.

Note

If a provincial government gives its authority to regulate taxi fares to municipalities, the fares are considered to be regulated by provincial law.

A taxi business also includes limousine services, even if they are not metered. For example, a limousine service at an hourly rate that is not metered is considered a taxi business.

Registering for the GST/HST

As a self-employed taxi or limousine driver in a taxi business, you have to register for the GST/HST.

You can register electronically, by phone or in paper format, by using any one of the following methods of registration:

- on line at www.businessregistration.gc.ca;
- by calling our business enquiries line at 1-800-959-5525; or
- by sending us a completed Form RC1, *Request for a Business Number* (BN).

If you have another business activity as well (for example, a carpentry business), call our business enquiries line at 1-800-959-5525 for more information.

What is the GST/HST?

This chapter provides basic information on charging, collecting, and accounting for the GST/HST. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

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

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

Also, as of July 1, 2010, Nova Scotia increased its HST rate to 15% (5% federal part and 10% provincial part).

As a result of these recent changes, the HST rate varies depending on the province. The following chart shows the applicable rates beginning January 1, 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%

Which rate of tax applies – the GST or the HST?

Under proposed changes, most services of transporting passengers by taxi or limousine are subject to:

- GST where the service:
 - begins in Quebec, Manitoba, Northwest Territories, Prince Edward Island, Yukon, Saskatchewan, Alberta or Nunavut; or
 - ends outside Canada.
- HST where the service begins in Ontario, Nova Scotia, New Brunswick, British Columbia or Newfoundland and Labrador and ends in Canada.

Example

A taxi trip that begins in Ontario and ends in Ontario is subject to the 13% HST. Similarly, a taxi trip that begins in Ontario and ends in Quebec is subject to the 13% HST.

How does the GST/HST work?

Businesses that are registered for the GST/HST, or have to register, are GST/HST registrants. As a GST/HST registrant, you usually have to collect the GST/HST on amounts you charge for taxable supplies of property and services. However, tax is usually already included in taxi and limousine fares.

In the taxi business, taxi and limousine drivers provide mostly services. Examples of amounts charged in the taxi business include:

- metered taxi and limousine fares;
- flat-rates fares charged for transporting passengers by taxi and limousine;

- fees charged for leasing a vehicle to a driver;
- fees charged by taxi licence owners for the use of their taxi licence;
- dispatch fees charged by a taxi stand to a driver; and
- related charges such as waiting time, parcel delivery, and transportation of luggage.

Businesses have to pay the GST/HST on most of their business purchases. As a registrant, you can generally claim an input tax credit (ITC) to recover the GST/HST paid or payable on your business purchases such as gas, car repairs, and car washes. You have to keep records of the amounts you pay or owe to support your ITC claims. For more information, see “Keeping records” below.

As a registrant, you also have to complete and file GST/HST returns according to reporting periods. This will be either annually, quarterly, or monthly.

When you complete your GST/HST return, you have to use the regular method of calculating your net tax, unless you tell us that you want to use the Quick Method.

If you use the regular method, you total the GST/HST you charged or collected and deduct your ITCs from this amount. The difference between these two amounts, including any adjustments, is your **net tax**.

If you charged or collected **more** GST/HST than was paid or payable on your business purchases, you send us the difference. If you charged or collected **less** GST/HST than was paid or payable, you can claim a refund. For more information on how to calculate your net tax using the regular method, see page 8.

The Quick Method is another method for calculating the net tax. You can use this method if your annual taxable sales, including those of your associates, are no more than \$200,000 (including GST/HST and zero-rated supplies) in any four consecutive fiscal quarters over the last five fiscal quarters. If you want to use this method, call us at **1-800-959-5525**. You can start using it at the beginning of any reporting period. For more information, see Guide RC4058, *Quick Method of Accounting for GST/HST*. For information on how to calculate your net tax using the Quick Method, see page 9.

Keeping records

Remember to keep detailed records of your supplies, business purchases, and the GST/HST you charge, collect, pay, or owe. You need this information to complete your GST/HST return. You have to keep a daily trip sheet or similar information. Original invoices and receipts must be kept to support the GST/HST reported and the ITCs claimed for each return.

You have to maintain adequate books and records in English or French in Canada. You also have to keep all records and invoices for six years after the end of the year to which they relate. However, we may ask you to keep the invoices longer than six years. If you want to destroy your records before the time limit expires, you have to send us a written request and wait for our written approval to do so.

How to file your returns and remit any amount owing

We will automatically send you Form GST34, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return for Registrants*. You have to file your completed return and remit any amount owing for every reporting period. Depending on your situation, you have different options.

You can file your return and remit any amount owing using one of the following options:

- by mail to the address shown on your GST/HST return;
- at your financial institutions (unless you are claiming a refund or rebate, or filing a nil return); or
- electronically.

Filing your return electronically

The Canada Revenue Agency (CRA) offers several electronic filing options for GST/HST registrants. The different electronic filing options are outlined below. In some cases you will be required to file electronically.

Mandatory electronic filing

Beginning for reporting periods ending July 1, 2010, or later, some registrants have to file their GST/HST return electronically. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

As a result of these changes, all registrants, including registrants whose account is administered by Revenu Québec, are now eligible to file electronically. The filing options available to you, if any, depend on your reporting circumstances. In certain situations, you may be required to file your GST/HST return using a specific filing method.

Electronic filing methods are described below. For payment options, see “How to remit an amount owing for an electronically filed return” on the next page.

GST/HST NETFILE

To file your return electronically using GST/HST NETFILE, go to the “Ready to file” page on the CRA Web site and enter the required information, including your four-digit access code.

As of April 12, 2010, all GST/HST registrants, except for those registrants whose account is administered by Revenu Québec, receive a four-digit access code.

To use GST/HST NETFILE or for more information, go to www.cra.gc.ca/gsthst-netfile.

GST/HST TELEFILE

To file your return electronically using GST/HST TELEFILE, call **1-800-959-2038** using your touch-tone phone. An automated telephone process will prompt you to give your GST/HST information, including your four-digit access code, using the phone keypad.

As of April 12, 2010, all GST/HST registrants, except for those registrants whose account is administered by Revenu Québec, receive a four-digit access code.

To use GST/HST TELEFILE or for more information, go to www.cra.gc.ca/gsthst-telefile.

GST/HST Internet file transfer (GIFT)

This option allows you to file your return electronically using third-party CRA certified accounting software.

For more information, go to

www.cra.gc.ca/gsthst-internetfiletrans.

You **cannot** use this method if you are required to file your GST/HST return using GST/HST NETFILE or GST/HST TELEFILE.

How to remit an amount owing for an electronically filed return

Pay electronically using the CRA's My Payment option. My Payment is a payment option that allows individuals and businesses to make payments online, using the CRA'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.

You can also pay electronically using your financial institution's Internet or telephone banking service.

If you choose not to pay electronically, you can use Form RC158, *GST/HST NETFILE/TELEFILE Remittance Voucher*, to remit an amount owing on a return that you file using GST/HST NETFILE or TELEFILE. **Do not use the remittance part of your GST/HST return.**

Form RC158 is not available on our Web site as we can only provide it in a pre-printed format. To order this personalized form, use one of the following options:

- select the Make online request service in My Business Account, and then select the Additional Remittance vouchers option, by going to www.cra.gc.ca/mybusinessaccount;
- select the GST/HST Requests option in Online Requests for Business, and then select the Additional Remittance vouchers option, by going to www.cra.gc.ca/requests-business; or
- call 1-800-959-5525.

Electronic Data Interchange (EDI)

Returns and remittances can also be filed electronically through a participating financial institution. For more information, go to www.cra.gc.ca/gsthst-edi, or contact your financial institution.

You **cannot** use this method if you are required to file your GST/HST return using GST/HST NETFILE or GST/HST TELEFILE.

My Business Account

You can file your GST/HST return electronically through My Business Account without a Web access code. To do so, log in to My Business Account using your epass user ID and password. You can also view the return status, your account balance, and transactions. For more information and to register for an epass, go to www.cra.gc.ca/mybusinessaccount.

At your financial institution

If you are remitting an amount owing, you can take your return and remittance to your participating financial institution in Canada.

You **cannot** file your return at a financial institution if you are required to file your GST/HST return electronically (see "Mandatory electronic filing" on the previous page) or if you are claiming a refund, filing a nil return, or offsetting an amount owing on the return by a rebate or refund.

In these cases, you have to use one of the other filing options described in this section.

If you are paying at a financial institution and your return requires attached documentation, you will have to send us these documents separately.

By mail

You can mail your return and your remittance, if any, to the address shown on the GST/HST return.

Print your Business Number on your cheque and make it payable to the Receiver General. Do not send cash in the mail. To avoid processing delays, do not staple or attach receipts or other supporting documents to your return.

Note

You have to make your remittance at your financial institution if you owe \$50,000 or more.

You **cannot** use this option if you are required to file your GST/HST return electronically.

Reporting periods

Reporting periods are the periods of time for which you file your GST/HST returns. For each reporting period, you have to prepare and send us a GST/HST return showing the amount of the GST/HST you charged or collected from your fares and the amount of input tax credits you are claiming.

When you register for the GST/HST, we assign you the reporting period that requires you to file your GST/HST returns the least frequently. This will be either annually, quarterly, or monthly and will be based on the amount of your taxable supplies in your previous fiscal year.

If you want to change your assigned reporting period, send us a completed Form GST20, *Election for GST/HST Reporting Period*, or call 1-800-959-5525.

Assigned and Optional Reporting Periods		
Annual taxable supplies threshold amounts	Assigned reporting periods	Optional reporting periods
\$1,500,000 or less	Annual	Monthly, Quarterly
More than \$1,500,000 up to \$6,000,000	Quarterly	Monthly
More than \$6,000,000	Monthly	Nil

Instalment payments

If you are an annual filer, you may have to make instalment payments. You have to make instalment payments throughout the current fiscal year if your net tax for the previous fiscal year was **\$3,000 or more**. You use the previous fiscal year's net tax to calculate your instalment payments.

You may also calculate your instalment payments based on an estimate of your current year's net tax, if you expect that your net tax for your current year will be less than your previous year. However, if the instalment payments you make are less than the amount you actually should have paid, we will charge you instalment interest on the difference.

You can use the instalment payment calculator service to calculate your instalment payments and view their due dates, by going to www.cra.gc.ca/mybusinessaccount.

If your net tax for the current or previous year is less than \$3,000, you do **not** have to make any quarterly instalments. For more information on instalments, including how to make instalment payments, see Guide RC4022, *General Information for GST/HST Registrants*.

How to calculate your net tax

There are two ways to calculate your net tax—the **regular method** and the **Quick Method**.

Net tax calculation using the regular method

The regular method of calculating your net tax when completing a GST/HST return consists of:

- calculating the tax you charged or collected during the reporting period and reporting this amount on **line 103** of your GST/HST return; and
- calculating the input tax credits (ITCs) you can claim and reporting this amount on **line 106** of your GST/HST return.

By subtracting **line 106** from **line 103** (plus or minus adjustments), you obtain your net tax (**line 109** of your GST/HST return).

Calculating the GST/HST included in a fare

In the taxi business, the GST/HST is usually included in fares. You then have to calculate the amount of GST/HST included in the fares.

If your fares include the GST, multiply the total by 5 and divide the result by 105.

Example

A taxi driver working in Manitoba charges a \$35 fare for a trip from an airport to a hotel. The GST included in the fare is equal to:

$$\frac{\$35 \times 5}{105} = \$1.67$$

If your fares include the:

- 12% HST, multiply the total by 12 and divide the result by 112;
- 13% HST, multiply the total by 13 and divide the result by 113; or
- 15% HST, multiply the total by 15 and divide the result by 115.

Example

A taxi driver working in New Brunswick charges a \$50 fare for a trip from an airport to a hotel. The HST included in the fare is equal to:

$$\frac{\$50 \times 13}{113} = \$5.75$$

Calculating your ITCs

You can claim ITCs for the GST/HST paid or payable on your business purchases such as:

- gasoline, diesel fuel, and propane;
- vehicle repairs, maintenance, and washes; and
- vehicle leases and purchases.

You cannot claim ITCs for insurance costs or interest as they are not subject to the GST/HST.

You may be able to use the Simplified Method for claiming ITCs. You do not have to file any form to use it. When using this method, you only need to total the amount of your taxable purchases for which you can claim an ITC and multiply that amount by:

- 5/105 for GST purchases;
- 12/112 for HST purchases in British Columbia (for qualifying motor fuel, multiply the amount by 5/105);
- 13/113 for HST purchases in Ontario, New Brunswick and Newfoundland and Labrador; and
- 15/115 for purchases in Nova Scotia.

Note

In British Columbia, there is a point-of-sale rebate of the provincial part of the HST payable on qualifying motor fuels. This means that, in British Columbia, you pay only the 5% federal part of the HST when you purchase qualifying motor fuel for your taxi. To calculate the amount of tax included in an invoice for qualifying motor fuel, multiply the total amount by 5/105. For more information, see Info Sheet GI-061, *Harmonized Sales Tax for British Columbia – Point-of-Sale Rebate on Motor Fuels*.

For more information on how to calculate your ITCs, see Guide RC4022, *General Information for GST/HST Registrants*.

For help in completing your GST/HST return using the **regular method**, see “Instructions for completing your GST/HST return” later on this page.

Net tax calculation using the Quick Method

The Quick Method calculation applies to most of your supplies of goods and services. When you use the Quick Method, you still charge and collect the GST/HST at the applicable rate on your taxable supplies (your fares and charges for other taxable supplies may already include the GST/HST). However, to calculate your net tax, multiply by the Quick Method remittance rate, or rates, that apply in your situation, the total amount of:

- your GST/HST-included fares;
- other taxable revenues on which you must collect the GST/HST; and
- the GST/HST charged or collected on these other taxable revenues.

For your taxi business, use the following Quick Method remittance rates:

- If you are located in Ontario, New Brunswick, or Newfoundland and Labrador, and 90% or more of your services are provided in these provinces, use the 8.8% Quick Method remittance rate.
- If you are located in Nova Scotia, and 90% or more of your services are provided in this province, use the 10.0% Quick Method remittance rate.
- If you are located in British Columbia and 90% or more of your services are provided in this province, use the 8.2% Quick Method remittance rate.
- If you are located in a territory or any other province and 90% or more of your services are provided in the territory or province, use the 3.6% Quick Method remittance rate.

Note

If you **sell** capital property, such as a taxicab, you have to collect and include the GST/HST at the usual rate in your net tax calculation; you cannot use the Quick Method remittance rate. For more information, see Guide RC4058, *Quick Method of Accounting for GST/HST*.

You cannot claim ITCs on most of your business purchases if you use the Quick Method. As the remittance rates are less than the rate of tax you charge, you remit only part of the tax you charge or collect. The part of the tax you keep accounts for the approximate value of the ITCs you would otherwise have claimed.

Note

Special rules apply for claiming ITCs on capital property such as taxicabs. For more information, see Guide RC4022.

For help in completing your GST/HST return using the **Quick Method**, see the instructions and examples beginning below.

Whether the Quick Method will be more beneficial for you to use than the regular method depends on your specific situation.

Credit of 1% on the first \$30,000 of eligible supplies

When you calculate your net tax using the Quick Method, you are entitled to a 1% credit on the first \$30,000 (including the GST/HST) of your supplies on which you must collect the GST/HST during the year. You may claim this credit on line 107 of your GST/HST return.

For more information on the Quick Method, see Guide RC4058.

Instructions for completing your GST/HST return

The following examples will help you complete Form GST34, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return for Registrants*.

Regular method

- Total your fares for the reporting period.
- Calculate the amount of the GST/HST included in the fares. For more information, see “Calculating the GST/HST included in a fare” on the previous page. Enter the result plus any GST/HST charged or collected on other revenues, and enter the total on line 103 of your return (GST/HST collected and collectible).
- On line 101 (Sales and other revenue), report the amount of all your revenues, less the GST/HST.
- If you do not have any adjustments on line 104, enter the amount from line 103 on line 105.
- Total the GST/HST paid or payable on your business purchases for the reporting period. Enter the total on line 106 (Input tax credits [ITC]).
- If you do not have any adjustments on line 107, enter the amount from line 106 on line 108.

- Subtract the amount on line 108 from the amount on line 105 and enter the result on line 109 (Net tax). If line 108 is less than line 105, you have to send us the difference. If it is **more**, you will receive a refund.
- File your GST/HST return by the due date and include your payment for any GST/HST you owe.

Example 1 (GST)

You are a taxi driver in Manitoba. You file your GST/HST return once a year (annual filer) and you use the regular method to calculate your net tax. The 5% GST is included in all your taxi fares.

You collected \$35,000 over the year and you paid \$650.47 in GST on your business purchases over the year.

Total fares (GST included)	\$ 35,000.00
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Amount of GST included in your fares $\$35,000 \times (5 \div 105) =$	\$ 1,666.67
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Total GST paid or payable on business purchases	\$ 650.47
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Line 101 $\$35,000 - \$1,666.67 =$ (fares less GST)	\$ 33,333.33
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Line 103 $\$35,000 \times (5 \div 105) =$	\$ 1,666.67
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Line 105 (same as line 103 above, if no adjustments)	\$ 1,666.67
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Line 106 (ITCs)	\$ 650.47
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Line 108 (same as line 106 above, if no adjustments)	\$ 650.47
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Line 109 (line 105 – line 108) $\$1,666.67 - \$650.47 =$	\$ 1,016.20
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In this example, your net tax owing is \$1,016.20.

Example 2 (HST)

You are a taxi driver in Ontario. You file your GST/HST returns every three months (quarterly filer) and you use the regular method to calculate your net tax. The 13% HST is included in all your taxi fares. Over the quarter, you collected \$15,000 and paid \$521.74 in HST on business purchases.

Total fares (HST included)	\$ 15,000.00
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Amount of HST included in your fares for one quarter $\$15,000 \times (13 \div 113) =$	\$ 1,725.66
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Total HST paid or payable on business purchases	\$ 521.74
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Line 101 $\$15,000 - \$1,725.66 =$ (fares less the HST)	\$ 13,274.34
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Line 103 $\$15,000 \times (13 \div 113) =$	\$ 1,725.66
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Line 105 (same as line 103 above, if no adjustments)	\$ 1,725.66
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Line 106 (ITCs)	\$ 521.74
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Line 108 (same as line 106 above, if no adjustments)	\$ 521.74
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Line 109 (line 105 – line 108) $\$1,725.66 - \$521.74 =$	\$ 1,203.92
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In this example, your net tax owing is \$1,203.92.

Quick Method

For the reporting period, add the following amounts:

- your GST/HST-included fares;
- other taxable revenues on which you must collect the GST/HST; and
- the GST/HST charged or collected on these other taxable revenues.

- Enter the total amount on line 101 of your GST/HST return (sales and other revenue).
- Multiply the amount on line 101 by the Quick Method remittance rate that applies to your situation. For information on the remittance rates, see Guide RC4058, *Quick Method of Accounting for GST/HST* or call **1-800-959-5525**. Enter the result on line 103 of your GST/HST return (GST/HST collected and collectible).
- If you have no adjustments on line 104, enter the amount from line 103 on line 105.
- You can deduct a **1%** credit on your first \$30,000 of taxable supplies each year. Multiply by 1% the total of (up to \$30,000 in each fiscal year):
 - your GST/HST-included fares;
 - other taxable revenues on which you must collect the GST/HST; and
 - the GST/HST charged or collected on these other taxable revenues.
- Enter the result on line 107 of your GST/HST return (Adjustments).
- Copy the amount from line 107 to line 108.
- Subtract line 108 from line 105 and enter the result on line 109 (Net tax). If line 108 is less than line 105, you will have to send us the difference. If it is **more**, you will receive a refund.
- File your GST/HST return by the due date and include your payment for any GST/HST you owe.

Example 1 (GST)

You are a taxi driver in Saskatchewan. You file your GST/HST returns once a year (annual filer) using the Quick Method to calculate your net tax. Your remittance rate is 3.6% and 5% GST is included in your taxi fares.

Total fares
(GST included) \$ 20,000

Total flat rate fares
(GST included) \$ 5,000

Line 101
\$20,000 + \$5,000 = \$ 25,000

Line 103
\$25,000 × 3.6% =
(Quick Method rate of 3.6%) \$ 900

Line 105
Same amount as line 103 \$ 900

Line 107
\$25,000 × 1% =
(1% credit. See note later on this page.) \$ 250

Line 108
Same amount as line 107 \$ 250

Line 109
(line 105 – line 108)
\$900 – \$250 = \$ 650

In this example, your net tax owing is \$650.

Example 2 (GST)

You are a taxi driver in Alberta. You file your GST/HST returns once a year (annual filer) using the Quick Method to calculate your net tax. Your remittance rate is 3.6% and 5% GST is included in your metered-in taxi fares.

Total fares
(GST included) \$ 45,000

Line 101 \$ 45,000

Line 103
\$45,000 × 3.6% =
(Quick Method rate of 3.6%) \$ 1,620

Line 105
Same amount as line 103 \$ 1,620

Line 107

\$30,000 × 1% =
(1% credit on first \$30,000) \$ 300

Line 108

Same amount as line 107 \$ 300

Line 109

(line 105 – line 108)
\$1,620 – \$300 = \$ 1,320

In this example, your net tax owing is \$1,320.

Example 3 (HST)

You are a taxi driver in Newfoundland and Labrador. You file your GST/HST returns every three months (quarterly filer) using the Quick Method to calculate your net tax. Your remittance rate is 8.8% and 13% HST is included in all your taxi fares.

Total fares
(HST included) \$ 10,000

Line 101 \$ 10,000

Line 103
\$10,000 × 8.8% =
(Quick Method rate of 8.8%) \$ 880

Line 105
Same amount as line 103 \$ 880

Line 107
\$10,000 × 1% =
(1% credit. See note below.) \$ 100

Line 108
Same amount as line 107 \$ 100

Line 109
(line 105 – line 108)
\$880 – \$100 = \$ 780

In this example, your net tax owing is \$780.

Note

In this example, you would continue to deduct the 1% credit during the fiscal year until you reach either:

- your maximum credit of \$300; or
 - the end of your fiscal year.
-

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 or call 1-800-959-2221.

For more information, go to 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 or call 1-800-959-2221.

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.

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.

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 your 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 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