

Ministry of Finance

Tax Information Notice



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HST Notice # 6

www.fin.gov.bc.ca/rev.htm

HST Notice for Suppliers of Taxable Property and Services to the BC Government

Supplies of Taxable Property and Services to BC Government Entities

Under the sales tax harmonization agreement between the Government of British Columbia (BC) and the Government of Canada, the Canada-BC Comprehensive Integrated Tax Coordination Agreement (CITCA), BC has agreed that, effective July 1, 2010, all BC government ministries, agencies, boards, commissions and Crown corporations (“BC government entities”) will pay GST/HST on their purchases of taxable property and services. Property could be goods, real property or intangible personal property such as trademarks, rights to use a patent, and digitized products downloaded from the Internet.

BC government entities that are currently paying GST, as well as those that are currently claiming an exemption from GST (i.e., ministries and other provincial entities listed on Schedule A of the current Canada-BC Reciprocal Taxation Agreement (RTA)), will pay GST/HST on their purchases of taxable property and services effective July 1, 2010.

Accordingly, suppliers must generally charge and collect GST/HST on any consideration that becomes due on or after July 1, 2010 in respect of a taxable supply to a BC government entity. In these cases, suppliers should not rely on or accept any Crown funds exemption requests or certifications requesting GST/HST relief at the point-of-sale.

Application of the General Transitional Rules to BC Government Entities

BC government entities that are currently paying GST on their taxable purchases (e.g., commercial Crown corporations) will be subject to the general transitional rules on all of their taxable purchases.

Unlike other BC government entities, consumers and businesses, to which HST may begin to apply on May 1, 2010 in certain circumstances under the transitional rules, BC government

entities that are currently claiming an exemption from GST – i.e., BC government entities listed on Schedule A of the RTA – will continue to claim an exemption from GST/HST until July 1, 2010.

GST/HST will not apply to any consideration that is paid or becomes due before July 1, 2010, in respect of a taxable supply to BC government entities listed on Schedule A of the RTA. In these cases, suppliers should continue to accept Crown funds exemption requests and certifications requesting relief in respect of both GST and HST.

BC government entities listed on Schedule A of the RTA will be subject to the general transitional rules only on consideration that becomes due on or after July 1, 2010 (unless it was paid before that date) or is paid on or after July 1, 2010 without having become due. In these cases, suppliers should not accept Crown funds exemption requests and certifications requesting relief.

Information about the general transitional rules can be found at:

www.sbr.gov.bc.ca/business/Consumer_Taxes/Harmonized_Sales_Tax/HST_Transitional_Rules.html and
www.cra-arc.gc.ca/tx/pstr/trnstnl/prsnl/menu-eng.html

Further Information

If you have any questions or wish to make a technical enquiry on the GST/HST by telephone, please contact the Canada Revenue Agency at one of the following toll-free numbers:

1-800-959-8287 (English service)

1-800-959-8296 (French service)