



Canada Revenue  
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du Canada

# GST/HST Information for Charities

## Is this guide for you?

This guide explains how the goods and services tax/harmonized sales tax (GST/HST) applies to you as a registered charity or a registered Canadian amateur athletic association.

The information in this guide does **not** apply to you if you are a public institution (such as a registered charity for income tax purposes that is a school authority, public college, university, hospital authority, or a local authority determined to be a municipality).

Also, see Guide RC4022, *General Information for GST/HST Registrants*. It has basic information on charging, collecting, and remitting GST/HST.

## GST/HST and Quebec

In Quebec, Revenu Québec administers GST/HST. If the physical location of your business is in Quebec, contact Revenu Québec at **1-800-567-4692**. Also, see the Revenu Québec publication IN-203-V, *General Information Concerning the QST and the GST/HST*, available on their Web site at **[www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca)**.

## What's new

Effective January 1, 2008, the GST rate was reduced from 6% to 5% and the HST rate from 14% to 13%.

If you have a visual impairment, you can get our publications in braille, large print, etext (CD or diskette), or MP3. For more information, visit our Web site at **[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 *Renseignements sur la TPS/TVH pour les organismes de bienfaisance*.

# Table of contents

	Page		Page
<b>Definitions</b> .....	4	<b>Do you have to register for GST/HST?</b> .....	12
<b>What is GST/HST?</b> .....	5	Small supplier limits .....	12
Who pays GST/HST? .....	5	Gross revenue test .....	12
Who charges GST/HST? .....	5	\$50,000 taxable supply test .....	13
How does GST/HST work? .....	5	Required registration .....	13
<b>General rules for charities</b> .....	5	Voluntary registration .....	13
When all of your supplies are exempt .....	5	Branches and divisions .....	13
When some of your supplies are taxable .....	5	Members of unincorporated organizations .....	13
<b>Exempt supplies of goods and services</b> .....	6	Cancelling your registration .....	14
Exemptions for charities .....	6	<b>Determining your net tax as a charity</b> .....	14
Other exemptions .....	6	Reporting periods .....	14
Fund raising activities .....	6	Net tax calculation for charities .....	14
Direct cost exemption .....	6	<b>Input tax credits</b> .....	15
Gambling events .....	7	<b>Rebate information for charities that are GST/HST</b>	
Recreational programs .....	7	<b>registrants</b> .....	16
Free supplies .....	7	How to apply for the rebate .....	16
Memberships .....	7	Time limit .....	16
Admissions .....	7	Branches and divisions .....	16
Relief of poverty, suffering, or distress .....	8	<b>How to claim both rebates and input tax credits</b> .....	17
<b>Taxable supplies of goods and services</b> .....	8	Charities using the net tax calculation .....	17
Supplies of goods and services taxable at 5% or 13% .....	8	Charities not using the net tax calculation .....	17
Charities providing employment assistance to		General operating expenses .....	17
individuals with disabilities .....	8	Allowances and reimbursements .....	17
Zero-rated supplies of goods and services .....	8	Capital Property .....	18
<b>Donations, grants, subsidies, and sponsorships</b> .....	9	Capital property change in use rules .....	18
Donations and Gifts .....	9	From non-commercial to commercial use .....	19
Grants and subsidies .....	9	From commercial to non-commercial use .....	19
Sponsorships .....	9	<b>Real property</b> .....	19
<b>GST/HST public service bodies' rebate</b> .....	9	Real property of a charity that is a GST/HST	
Eligible purchases and expenses .....	10	registrant .....	19
Purchases and expenses not eligible .....	10	Taxable sales and leases .....	20
How to apply for the rebate .....	10	Election for real property of a public service body .....	20
Time Limits .....	10	Election effective the day of acquisition .....	20
Branches and divisions .....	10	Election effective after the day of acquisition .....	20
<b>Charities that provide municipal services</b> .....	11	Filing the election .....	21
<b>Other rebates available</b> .....	11	Change in use rules when election is in effect .....	21
Exported goods and services .....	11	Increasing commercial use .....	21
Purchases of printed books .....	11	Reducing commercial use .....	21
<b>Rebate for property or services removed from</b>		Ceasing commercial use .....	22
<b>a participating province</b> .....	11	Self-supply rules for builders who receive	
Tangible personal property .....	11	government funding .....	22
Intangible personal property and services .....	12	<b>For more information</b> .....	23

## Definitions

**Charity** – means a registered charity or registered Canadian amateur athletic association for income tax purposes, which has a registration number that allows it to issue official receipts for income tax purposes. A charity does not include a public institution for GST/HST purposes, however, it can include an incorporated city, town, village, metropolitan authority, township, district, county, or rural municipality.

**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.

**Designated municipal property** – refers to 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 person intended, at the time of purchase to consume, use or supply in the course of activities specified in its designation and otherwise. The person did not intend to consume, use or supply the property 90% or more in any other activity. Once property qualifies as designated municipal property, it is always treated as such. This definition came into force on February 1, 2004.

**Designated municipality** – refers to a person that is designated to be a municipality for purposes of claiming the public service bodies' rebate, but only in respect of activities specified in the designation that involve the making of supplies (other than taxable supplies) by the person of municipal services.

**Election** – is a way for businesses and organizations to choose various options that make it easier to comply with GST/HST. These options allow you to adapt the administrative requirements of GST/HST to your business activities. Each election has its own eligibility criteria.

**Exempt supplies** – are goods and services that are not subject to GST/HST. GST/HST registrants cannot claim input tax credits to recover the GST/HST they pay or owe on expenses related to making such supplies.

**Improvement** – to capital property is generally 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 GST/HST they paid or owe for goods 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.

**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 other local authority as the minister may determine to be a municipality.

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

**Person** – means an individual, a partnership, a corporation, the estate of a deceased individual, a trust, or any organization such as a society, a union, a club, an association, or a commission.

**Public institution** – means a registered charity for income tax purposes that is also a school authority, a public college, a university, a hospital authority, or a local authority determined to be a municipality.

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

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

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

**Small supplier** – refers to a person whose worldwide taxable supplies were equal to or less than \$30,000 (\$50,000 for public service bodies) in a calendar quarter and over the last four consecutive calendar quarters. Charities are small suppliers if either their taxable supplies were \$50,000 or less, or their gross revenue was \$250,000 or less.

**Supply** – means the provision of property or a service in any way, including sale, transfer, barter, exchange, licence, rental, lease, gift, and disposition.

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

**Zero-rated supplies** – refer to a limited number of goods and services that are taxable at the rate of 0%. This means there is no GST/HST charged on the supply of these goods and services, but GST/HST registrants can claim an ITC for the GST/HST they pay or owe on purchases and expenses made to provide them.

## What is GST/HST?

Goods and services tax (GST) is a tax that applies on most supplies of goods and services made in Canada. GST also applies to intangible property such as trademarks, rights to use a patent, digitized products downloaded from the Internet and paid for individually, and options to buy property.

The three participating provinces (Nova Scotia, New Brunswick, and Newfoundland and Labrador) harmonized their provincial sales tax with GST to create the harmonized sales tax (HST). HST applies to the same base of goods and services as GST.

The GST/HST rates are as follows:

### On or after January 1, 2008

GST	5%
HST	13% (5% federal part and 8% provincial part)

### After June 30, 2006 and before January 1, 2008

GST	6%
HST	14% (6% federal part and 8% provincial part)

### Before July 1, 2006

GST	7%
HST	15% (7% federal part and 8% provincial part).

Effective January 1, 2008, GST/HST registrants who make taxable supplies (other than zero-rated supplies) in the three participating provinces collect tax at the 13% HST rate. Registrants collect tax at the 5% GST rate on taxable supplies they make in the rest of Canada (other than zero-rated supplies).

## Who pays GST/HST?

Almost everyone has to pay GST/HST on purchases of taxable supplies of goods and services (other than zero-rated supplies). However, Status Indians and some groups and organizations, such as provincial and territorial governments, do not always pay GST/HST on their purchases. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

## Who charges GST/HST?

Generally, GST/HST registrants have to collect GST/HST on all taxable (other than zero-rated) supplies of goods and services they provide to their customers. However, there are some exceptions for taxable sales of real property. For more information, see "Real property" on page 19.

## How does GST/HST work?

If you are involved in commercial activities in Canada, you have to register for GST/HST when most of your supplies are taxable and you are not a small supplier. As a registrant, you have to collect the tax on taxable supplies (other than zero-rated supplies), from your customers, and remit it to us. You may also claim input tax credits (ITCs) to recover GST/HST you paid or owe on purchases and operating expenses used, consumed, or supplied in your commercial activities. However, special rules concerning

ITCs apply to charities. For more information, see "Net tax calculation for charities" on page 14. You cannot claim ITCs to recover GST/HST you paid or owe on purchases related to supplies of exempt goods and services, or those for personal use.

As a registrant, you are required to file GST/HST returns, and if you charged more GST/HST than you paid or owe, you have to send us the difference. If you paid more GST/HST than you charged, you can claim a refund of the difference. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

### Note

If you are an annual filer and your net tax for the preceding year is \$3,000 or more (for reporting periods beginning after 2007), you may have to make quarterly instalment payments even if your rebate reduces your amount owing to less than \$3,000. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

## General rules for charities

Supplies of goods and services made by businesses are usually taxable. However, the rules for charities are different in that **most supplies made by charities are exempt**. For details on supplies that are exempt when supplied by a charity, see "Exempt supplies of goods and services" on page 6.

## When all of your supplies are exempt

If you make **only** exempt supplies of goods and services:

- you cannot register for GST/HST;
- you do not charge tax on your exempt supplies;
- you cannot claim ITCs to recover GST/HST you paid or owe on your purchases; and
- you are eligible to claim a public service bodies' rebate of 50% of GST/HST you paid or owe on your eligible purchases and expenses. For more information, see "GST/HST public service bodies' rebate" on page 9.

## When some of your supplies are taxable

Charities that provide some taxable supplies of goods and services may qualify as small suppliers (see page 12). Small suppliers do not have to register for GST/HST, but may register voluntarily (see page 13). If you are a small supplier and you decide not to register:

- you do not charge tax on your supplies, except a supply of real property by way of sale that is not an exempt supply;
- you cannot claim ITCs to recover GST/HST you paid or owe on your purchases; and
- you are eligible to claim a public service bodies' rebate of 50% of the GST/HST you paid or owe on your eligible purchases and expenses (see page 9).

If you decide to register, you have to collect GST/HST on your taxable supplies and file GST/HST returns to account for that tax. Some charities would be eligible to claim ITCs. Subject to a few exceptions, you would still be eligible for a public service bodies' rebate of 50% of GST/HST that you pay or owe but cannot recover by claiming ITCs. For more information, see "GST/HST public service bodies' rebate" on page 9.

Most charities do not have to register for GST/HST or charge tax on their supplies since they are mainly providing exempt goods. If your charity provides taxable goods and services, but it still qualifies as a small supplier, it will not have to register for GST/HST. However, the charity may choose to register voluntarily. For more information, see "Voluntary registration" on page 13.

#### Note

If you are a designated municipality who is also a charity, you can claim a rebate of 100% of GST (or 100% of the federal part of HST) you paid or owe on your eligible purchases and expenses, after January 31, 2004, to the extent they are for consumption, use, or supply in the activities for which you are designated to be a municipality. For more information, see Guide RC4049, *GST/HST Information for Municipalities*.

## Exempt supplies of goods and services

Most goods and services that charities (except for municipalities and designated municipalities who are also charities) provide are exempt from GST/HST. When goods or services are exempt, it means that, even if you are a GST/HST registrant, you **do not charge GST/HST** on them. Also, you **cannot claim ITCs** for GST/HST you paid or owe on the purchases and expenses that relate to your exempt supplies.

Some goods and services are exempt regardless of who provides them. Examples of these goods and services are:

- long-term residential accommodation;
- child-care services (day-care services provided usually for less than 24 hours per day) provided mainly for children 14 years of age or younger; and
- personal-care services for children, underprivileged individuals, or individuals with disabilities, when provided by a person operating an establishment for these individuals, in either institutional or non-institutional settings.

## Exemptions for charities

The following are examples of goods and services that are exempt when charities provide them:

- most services;
- supplies of used or donated goods;
- short-term residential accommodation (less than one month of occupancy);

- meals-on-wheels programs. This exemption is for a supply of food or beverages to seniors, underprivileged individuals, or individuals with a disability, under a program established and operated to provide prepared food to such individuals in their places of residence. Any supply of food or beverages made to a charity for these programs is also exempt from GST/HST;
- parking space rentals;
- facility rentals (for example, halls for weddings); and
- catering services for private functions (for example, wedding receptions).

## Other exemptions

### Fund-raising activities

Most goods and services you sell or provide for a fund-raising activity, that are not covered under the exemptions described above, are exempt **unless**:

- you sell these goods or services regularly or continuously throughout the year, or a significant part of the year; or
- your clients are entitled to receive these goods or services regularly or continually throughout the year, or a significant part of the year.

Examples of sales that are exempt under this exemption include:

- greeting cards in the Christmas season; and
- chocolate bars in an eight-week fund-raising drive.

Examples of supplies this exemption does **not** cover and that you will have to collect tax on, if you are a GST/HST registrant, include:

- goods sold year-round in a tuck shop; and
- subscriptions to a charity's magazine.

### Fund-raising events

The full amount you charge for admission to a fund-raising dinner, ball, concert, or similar event is exempt if part of the admission qualifies as a charitable donation for income tax purposes.

#### Example

You sell tickets to a fund-raising dinner for \$100 but \$75 of the ticket price qualifies as a charitable donation for income tax purposes. You do not charge GST/HST on any part of the admission.

## Direct cost exemption

Goods and services you supply for an amount that does not exceed your direct cost may also be exempt. The direct cost of a good or service includes GST, HST, Quebec sales tax (QST) and non-recoverable provincial taxes, duties, and fees you paid when you bought the good or service.

The direct cost of a good also includes the cost of material directly used to manufacture, produce, process, or package the good.

Direct cost does not include administrative or overhead expenses, or employee salaries that you incur to provide these goods or services.

If you sell particular goods or services for a price that is not more than your direct cost, and you do not charge GST/HST (as you normally would if you were a GST/HST registrant), these sales are exempt.

#### Example

You buy T-shirts with your logo in Nova Scotia for \$20 each plus \$2.60 HST. You sell them to customers in Nova Scotia for \$22.60 and do not charge HST. Since the price you charged was not more than your direct cost ( $\$20 + \$2.60 = \$22.60$ ), and since you did not charge HST, your sales of these T-shirts are exempt.

If you sell particular goods and services for a price that is equal to or greater than your direct cost (not including GST, HST or QST) and you charge an amount as GST/HST, these sales are taxable.

#### Example

You buy T-shirts with your logo in Nova Scotia for \$20 each plus \$2.60 HST. You sell them to customers in Nova Scotia for \$20 each plus \$2.60 HST. Since you charged an amount equal to your direct cost not including HST (\$20), and you charged HST separately, the sales of these T-shirts are taxable.

The sale of the T-shirt would be exempt if you sold it for **less than \$20, even if you charged HST to your customer.** In this case, the tax would have been collected in error.

As you can see from these two examples, if you only want to recover your direct cost, you can choose to have your sales either taxable or exempt depending on if GST/HST is charged or not.

## Gambling events

GST/HST does not apply to revenues you receive from sales of lottery, break-open, or raffle tickets. However, lottery tickets you sell for a provincial or inter-provincial lottery corporation are taxable, and the tax is included in the price of the tickets. Lottery corporations will tell you how to treat the proceeds from these lottery tickets.

If you operate bingo games or casino nights, the fees you charge for the sale of bingo cards or the taking of bets during a casino night are exempt.

If you run a bingo game, casino night, or other gambling event and charge admission, the admission is exempt if you meet the following conditions:

- volunteers run the event and take the bets; and
- for bingo and casino nights, the event is not held in a commercial hall or temporary structure (such as a bingo tent put up on a fair ground) used mainly for gambling activities.

## Recreational programs

Fees for recreational programs are exempt from GST/HST if the programs are provided mainly to children 14 years of age and under. However, if there is overnight supervision throughout a substantial part of these programs, the fees are subject to tax.

Recreational services provided mainly to underprivileged individuals, or individuals with a disability, are also exempt.

## Free supplies

If all or most (90% or more) supplies of a good or a service are made free of charge by a charity, all of the charity's supplies of that good or service are exempt, including those few (if any) for which an amount is charged. There is an exception for supplies of blood or blood derivatives, which remain zero-rated.

## Memberships

A supply of a membership by a charity is exempt, **unless** the value of the following benefits is significant (generally considered to be 30% or more) in relation to the cost of the membership:

- free or reduced admission to a place of amusement;
- the right to use facilities at a place of amusement; or
- the right to participate in a recreational or athletic activity at a place of amusement.

A supply of a service, membership, or right by a charity is not exempt where it provides for supervision or instruction in any recreational or athletic activity. However, this service, membership, or right remains exempt if it is provided mainly to:

- children who are 14 years of age and under and does not involve overnight supervision throughout a substantial part of the program; or
- individuals who are underprivileged or who have a disability.

For more information, see "Taxable supplies of goods and services" on page 8.

## Admissions

Admissions to places of amusement, such as museums, recreational complexes, and theatres are exempt if the maximum admission charged is \$1 or less, or if the admissions are made in the course of fund-raising events where charitable receipts for income tax purposes may be issued.

Admissions are also exempt when supplied to spectators of a performance, athletic, or competitive event at which 90% or more of the performers, athletes, or competitors are not paid, directly or indirectly, for their participation **other than** by government grants, reasonable gifts, prizes, compensation for travel, and other incidental costs. This exemption does not apply to events specifically advertised as featuring paid participants or events at which professional athletes compete for cash prizes.

We discuss a special exemption for admission fees to certain gambling events on the previous page.

## Relief of poverty, suffering, or distress

Food, beverages, or short-term accommodation provided to relieve the poverty, suffering, or distress of individuals, are exempt. For example, GST/HST does not apply to charges for meals or accommodation at a shelter for needy individuals.

## Taxable supplies of goods and services

The following are examples of supplies of goods and services that may be taxable at 5%, 13%, or 0%, when charities provide them. The supplies of these goods and services could become exempt under one of the exemptions outlined in “Other exemptions” on page 6.

Although a supply of a good or service may be taxable, you do not collect tax on your supplies (other than taxable sales of real property) **unless** you are a registrant. For more information, see “Do you have to register for GST/HST?” on page 12.

### Note

On a taxable sale of real property, you do not have to collect the tax payable if the recipient of the sale is registered for the GST/HST. Also, the sale cannot be that of a residential complex, nor supplied as a cemetery plot or place of burial, entombment or deposit of human remains or ashes.

## Supplies of goods and services taxable at 5% or 13%

These are examples of supplies of goods and services that are taxable at 5% or 13%:

- supplies of certain personal property (property that you previously used in your taxable activities). For example, the sale of a cash register used in a gift shop where you sell taxable supplies;
- new goods that you bought, manufactured, or produced to resell. For example, sales of new goods that you bought to resell in a gift shop for a price that is more than their direct cost (see page 6) are subject to tax. Sales of used goods or goods donated to the charity will remain exempt;
- certain sales and leases of real property. For more information, see “Taxable sales and leases” on page 20;
- admission to a place of amusement such as a museum, recreational complex, or theatre if any admission charged is more than \$1. For example, if you charge adults a \$5 admission and children a \$0.50 admission, **both** admissions (for adults and children) will be subject to tax because one admission is more than \$1. We discuss a special exemption for admission fees to certain gambling events on the previous page;

- memberships that entitle members to benefits such as free or discounted admission to a place of amusement (for example, a museum, a theatre, or a recreational complex), the use of facilities, or the right to participate in recreational activities at a place of amusement. However, if the value of these benefits is insignificant (less than 30%) in relation to the membership fee, the membership is exempt from GST/HST;
- a service of, or a membership that entitles the member to, supervision or instruction in a recreational or athletic activity, unless it is mainly for children 14 years of age or under and does not involve overnight supervision throughout a substantial part of the program, or unless it is mainly for individuals who are underprivileged or who have a disability;
- services of performing artists if you provide the services to another organization that is selling taxable supplies of admissions to the performance;
- lottery tickets if your charity sells them for a provincial lottery corporation. For more information, see “Gambling events” on the previous page;
- restaurant operations; and
- professional theatre subscriptions.

## Charities providing employment assistance to individuals with disabilities

Charities may regularly provide employment or employment assistance to individuals with disabilities and supply services that are performed by such individuals to clients. These supplies would usually be exempt. However, a charity may apply to us in writing to have the supply of these services made taxable **when provided to a GST/HST registrant** (unless they are provided to a public sector body or to a board, commission, or other body established by a government or a municipality). We refer to these charities as “designated charities.”

If you make this application, **you cannot use** the net tax calculation for charities (explained on page 14). Instead, use the general rules to calculate your net tax. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

You may be eligible to use the Special Quick Method of Accounting to calculate your net tax on your GST/HST return. For more information, see Pamphlet RC4247, *The Special Quick Method of Accounting for Public Service Bodies*.

### Note

You may be eligible to use a simplified rebate calculation. For more information, see Guide RC4034, *GST/HST Public Service Bodies' Rebate*.

## Zero-rated supplies of goods and services

Supplies of zero-rated goods and services are taxable, but at a rate of 0%. You do not collect GST/HST when you supply zero-rated goods and services. Treat them the same way as those taxable at 5% GST or 13% HST for the purpose of claiming ITCs. Special rules concerning ITCs apply to

charities. For more information, see “Net tax calculation for charities” on page 14.

Some examples of zero-rated supplies of goods and services are:

- basic groceries (such as milk, bread, vegetables, meat, and fish);
- certain goods when they are exported outside Canada (supplies otherwise taxable at 5% or 13%);
- prescription drugs;
- certain medical devices (such as wheelchairs, hearing aids, eyeglasses, artificial limbs, canes, and crutches); and
- the rental of farmland to a GST/HST registrant on a crop-share basis to the extent that the crop is zero-rated.

## Donations, grants, subsidies, and sponsorships

### Donations and gifts

GST/HST does not apply to donations and gifts. A donation or a gift is a voluntary transfer of money or property for which the donor does not receive any benefit in return. However, if the donor receives property having nominal value, such as a key ring, a pin, or an envelope seal, in exchange for the donation, the donation will still not be subject to GST/HST. However, if the donor receives a good or service having more than nominal value in exchange for the donation, the payment will be subject to tax, **unless** the good or service is otherwise exempt. For information on goods and services that are exempt when supplied by a charity, see page 6.

### Grants and subsidies

As a charity, you may receive grants, contributions, subsidies, and similar payments. Often referred to as transfer payments, these are given for many different reasons, ranging from a simple contribution made to a charity, to major government-funded projects. Usually, when transfer payments are made in the public interest or for charitable purposes, we do not regard them as payment for a supply. Therefore, the payment would not be subject to GST/HST.

Generally, GST/HST does not apply to grants and subsidies your charity receives. However, if there is a direct link between a payment you receive and a supply you provide to either the grantor of the transfer payment or to a third party, the transfer payment may be regarded as payment for a supply. If this is the case, the transfer payment may be subject to tax, and GST/HST may need to be collected on the amount. Generally, this would not apply to a payment for services, since most services provided by a charity are exempt.

The tax treatment of transfer payments will be determined on a case-by-case basis. For more information, see Technical Information Bulletin B-067, *Goods and Services Tax Treatment of Grants and Subsidies*, or call 1-800-959-5525.

Receipt of donations, grants, subsidies, and sponsorships do not affect your charity’s entitlement to GST/HST rebates or ITCs. For more information, see “GST/HST public service bodies’ rebate” on this page or “Input tax credits” on page 15.

### Sponsorships

Sponsorships may not be subject to GST/HST depending on the nature and the extent of the promotional benefits you give to the sponsor. These are examples of sponsorships that are **not** taxable:

- Sponsorships when a business financially supports your activity in return for which you promote the business. For example, your charity organizes a softball team and you agree to feature a sponsor’s trade name on your team uniforms or you run a sporting event and publish an acknowledgment of the sponsor in the event’s program.
- Sponsorships when you receive funding in return for allowing the sponsor the right to use your charity’s logo. For example, a corporation uses a national charity’s logo in its advertising campaign.

We do not consider the payments you receive from a sponsor in either of these circumstances to be payment for a good or service. The payments are not subject to GST/HST.

If the payment by a sponsor is made mainly (more than 50%) to obtain advertising on television or radio, or in a newspaper, magazine, or other publication your charity issues periodically, we do not consider the payment to be a sponsorship, but rather a payment for advertising services. Advertising services are usually subject to GST/HST. However, they are exempt when provided by a charity.

## GST/HST public service bodies’ rebate

**T**his section applies to charities that **are not registered** for GST/HST and **are not required to be registered**. If your charity is a registrant, see “Rebate information for charities that are GST/HST registrants” on page 16.

There are special rebates that allow certain public service bodies, including charities, to recover a percentage of the GST/HST they pay on their purchases and expenses.

Charities are eligible for a public service bodies’ rebate of **50%** of the GST, or of the **federal part** of the HST, they paid or owe on eligible purchases and expenses. Most charities (excluding charities that are designated municipalities) are also eligible for a public service bodies’ rebate of **50%** of the **provincial part** of the HST, if they are residents of a participating province. Under these rebate provisions, a charity includes a non-profit health care facility that provides qualified nursing and personal care, daily living, social and recreational assistance, and meals and accommodation to residents with limited physical or mental capacity.

If your charity is not resident in a participating province, but you buy goods or services in a participating province, you may be entitled to a separate rebate of the 8% provincial part of the HST. For more information, see “Rebate for property or services removed from a participating province” on page 11.

Charities may also be entitled to a rebate on exported goods and services, as well as purchases of printed books. For more information, see “Other rebates available” on page 11.

## Eligible purchases and expenses

You can claim a public service bodies’ rebate of 50% of GST/HST you paid or owe on your eligible purchases and expenses, for which you cannot claim ITCs, including:

- general operating and overhead expenses, such as rent, utilities, and administration expenses;
- most allowances and reimbursements you paid to employees and volunteers engaged in activities for the charity;
- supplies bought to produce finished goods to sell, and merchandise bought to sell at fund-raising events; and
- capital property such as buildings, equipment, vehicles, machinery, office furniture, computers, and photocopiers your charity uses to carry on its activities. However, you cannot claim the rebate when you change the use of capital property from mainly commercial activities to mainly non-commercial activities, since the rebate is considered in calculating the basic tax content as explained on page 18.

## Purchases and expenses not eligible

Certain purchases are **not** eligible for the public service bodies’ rebate. These include:

- memberships in dining, recreational, or sporting clubs;
- tobacco products or alcoholic beverages you sell and for which you are not required to collect the GST/HST (except where the tobacco or alcohol is included in the price of a meal);
- goods and services you buy to provide long-term residential accommodation, **unless** more than 10% of the accommodation is restricted to seniors, youths, students, individuals with a disability or who are in distress, or individuals with limited finances who qualify for occupancy or reduced rent payments under a means or income test;
- a good or a service you acquire to sell to an officer, employee, or member of the charity, or to another person related to that person, for personal use **unless**:
  - you supply the good or service in the same year you acquire it and charge an amount equal to its fair market value; or
  - if you were to supply the good or service free of charge to the person, it would not be a taxable benefit; and

- a good or a service you supply to another person, if the good or service is a taxable benefit to that person for income tax purposes, but you do not have to remit any GST/HST on the supply.

### Example

You own an apartment building and have contracted with the province to restrict 30% of the apartments to individuals with a disability. You can apply for the 50% public service bodies’ rebate for GST/HST you pay or owe on all expenses you incur to maintain the apartment building. You qualify for the rebate because more than 10% of the apartment building is restricted only to individuals with a disability.

## How to apply for the rebate

When you file a public service bodies’ rebate application for the first time, you have to complete Form GST66, *Application for GST/HST Public Service Bodies’ Rebate and GST Self-Government Refund*. After we process your first rebate application, we will send you the personalized version of the form (Form GST284, *GST/HST Rebate Application for Public Service Bodies*) for your next rebate application. Guide RC4034, *GST/HST Public Service Bodies’ Rebate*, includes Form GST66, as well as completion instructions. You do not have to include original invoices or receipts with your rebate application. However, you must keep these documents for six years after the calendar year to which they relate, in case we ask to see them.

### Time limits

You have four years from the end of the claim period to file your public service bodies’ rebate application. You can only claim a rebate up to two times per fiscal year (one for the first six months of your fiscal year, and another for the last six months of your fiscal year).

### Branches and divisions

You file the rebate application for your charity as a whole. However, if your charity has branches or divisions, you can also apply to have the branches or divisions file separate rebate applications. To do so, each branch or division has to be identifiable by either its location or the nature of its activities. Separate books and records have to be kept for each branch or division. The head office has to apply for this by sending us a completed Form GST10, *Application or Revocation of the Authorization to File Separate GST/HST Returns and Rebate Applications for Branches or Divisions*, or by calling 1-800-959-5525.

#### Note

If you are expecting a rebate after filing a GST/HST rebate application, you will receive the rebate amount only if you have filed all returns for all of your applicable business program accounts required under the *Excise Tax Act* (ETA), the *Income Tax Act* (ITA), the *Excise Act, 2001*, and the *Air Travellers Security Charge Act* (ATSCA).

If you owe amounts under the ETA, the ITA, the *Excise Act, 2001*, or the ATSCA, the rebate will be used to offset the other debt.

## Charities that provide municipal services

The Minister of National Revenue may designate a charity to be a municipality for certain municipal services that it provides. For example, charities that receive ongoing government funding to provide long-term residential accommodation to tenants on a rent-geared-to-income basis may be eligible for municipal designation for the purpose of claiming the municipal rebate, to the extent that their purchases and expenses relate to that activity.

When the Minister of National Revenue designates a charity to be a municipality, the designation only applies to its activities that involve the delivery of municipal services. We refer to these as designated activities. This restriction recognizes that the designated activities represent the **only** capacity in which the charity is like a municipality.

If your charity receives municipal designation for purposes of the public service body rebate, you may be eligible to claim a 100% rebate of the GST and the federal part of the HST paid on expenses related to your designated activities. You remain eligible to claim the 50% rebate on your other activities.

In Nova Scotia and New Brunswick, charities that have received municipal designation for purposes of the public service bodies' rebate may claim a rebate of 57.14% of the provincial part of the HST.

Newfoundland and Labrador charities that have received municipal designation for purposes of the public service bodies' rebate cannot claim a rebate of the provincial part of the HST for their designated activities but can claim a 50% rebate of the provincial part of the HST for their non-designated activities.

For more information, see Guide RC4049, *GST/HST Information for Municipalities*, or call 1-800-959-5525.

## Other rebates available

### Exported goods and services

Charities can claim a rebate to recover 100% of the GST/HST they paid to their suppliers on goods and services they exported outside Canada and for which they cannot claim ITCs. In this case, you can recover all of the GST/HST you paid to your suppliers, whether or not you are registered for GST/HST.

Claim this rebate on **line 308** of Part D of Form GST284, *GST/HST Rebate Application for Public Service Bodies* (or **line 308** of Part E of Form GST66, *Application for GST/HST Public Service Bodies' Rebate and GST Self-Government Refund*). Amounts included in this rebate should not be included in the 50% public service bodies' rebate calculation.

Charities cannot claim the 100% rebate for purchases that are not exported, even though such purchases may be used in activities that support other activities outside Canada.

Examples of expenses incurred in Canada that do not qualify for the 100% rebate (since they are not considered to be exported) are:

- operating expenses, such as utilities and stationery supplies;
- transportation costs, such as the transport of goods to a Canadian port for export (this transportation service may be zero-rated if it is part of a continuous outbound freight movement); and
- fund-raising costs.

#### Note

Your charity will still be entitled to claim a 50% public service bodies' rebate for GST/HST paid on purchases or expenses for which you cannot claim ITCs or a 100% rebate.

## Purchases of printed books

Charities that operate a public lending library can claim a 100% rebate of GST, or the federal part of HST, they paid or owe on publications such as most printed books, audio recordings of printed books, and printed versions of religious scriptures they buy or import, if they are not reselling these items or giving them away.

In addition, charities whose main purpose is to promote literacy are eligible for this rebate if they meet certain requirements. For more information, call 1-800-959-5525.

Claim this rebate on **line 307** of Part D of Form GST284, *GST/HST Rebate Application for Public Service Bodies* (or **line 307** of Part E of Form GST66, *Application for GST/HST Public Service Bodies' Rebate and GST Self-Government Refund*). Do not include amounts you claimed on **line 307** when you calculate the 50% public service bodies' rebate.

A provincial point-of-sale rebate is also available for the 8% provincial part of HST on the above-mentioned publications bought in a participating province. This means that the person selling the books should give the customer the rebate at the time of the sale.

For more information, see Guide RC4034, *GST/HST Public Service Bodies' Rebate*, or GST/HST Memorandum 13.4, *Rebate for Printed Books, Audio-Recording of Printed Books, and Printed Versions of Religious Scriptures*.

## Rebate for property or services removed from a participating province

### Tangible personal property

Charities can get a rebate of the 8% provincial part of HST if they are residents of Canada but not residents in a participating province. This rebate is for tangible personal property (goods) that you buy in a participating province but consume, use, or supply exclusively (generally 90% or more) outside the participating provinces. This rebate is not available if you are claiming ITCs.

You can apply for this rebate by filing Form GST495, *Rebate Application for Provincial Part of Harmonized Sales Tax (HST)*. To claim a rebate of the federal part of HST you paid on the property, you have to use Form GST284, *GST/HST Rebate Application for Public Service Bodies* or Form GST66, *Application for GST/HST Public Service Bodies' Rebate and GST Self-Government Refund*.

To qualify for the rebate of the 8% provincial part of HST, you have to meet **all** of the following conditions:

- you file Form GST495 no later than one year after the day you take the goods from the participating province;
- each receipt is at least \$50 (before taxes) for purchases of goods eligible for the rebate;
- the total amount of **all** of your receipts is at least \$200 (before taxes) for purchases of goods eligible for the rebate;
- you remove the goods from a participating province no later than 30 days after you receive them; and
- you provide documents to show that you paid any applicable provincial retail sales tax of the non-participating province in which the goods are consumed, used, or supplied.

You cannot file more than one rebate application in a calendar month.

The following goods **are not eligible** for this rebate:

- excisable goods such as liquor; and
- most gasoline, diesel fuel, and certain other types of fuel.

## Intangible personal property and services

Charities can get a rebate of the 8% provincial part of HST if they are residents of Canada and they receive intangible personal property (such as goodwill) or services in a participating province that will be consumed, used, or supplied mainly (more than 50%) outside the participating provinces.

You can apply for the rebate by filing Form GST189, *General Application for Rebate of GST/HST*. To qualify for the rebate, you have to meet **all** of the following conditions:

- you file Form GST189 no later than one year after the day the tax became payable;
- each receipt is at least \$50 (before taxes) for the intangible personal property or the service eligible for the rebate; and
- the total amount of all of your receipts is at least \$200 (before taxes) for the intangible personal property or the service eligible for the rebate.

You cannot file more than one rebate application in a calendar month.

For more information, see Guide RC4033, *General Application for GST/HST Rebates*, and Technical Information Bulletin B-080, *Rebates of HST on Supplies Made From the Participating Provinces*.

## Do you have to register for GST/HST?

You have to register for GST/HST if:

- you provide taxable goods and services in Canada; and
- you are not a small supplier.

### Small supplier limits

As a charity, you may qualify as a small supplier under **either** of the following tests:

- the \$250,000 gross revenue test; or
- the \$50,000 taxable supplies test.

You only have to meet **one** of these tests to be a small supplier. If you qualify as a small supplier, you do not have to register for GST/HST, but you may choose to do so voluntarily. For more information, see "Voluntary registration" on the next page.

If your charity does not provide any taxable goods or services, you **cannot register** for GST/HST or charge tax on your supplies of goods and services.

### Gross revenue test

The annual limit for the gross revenue test for a charity is \$250,000. When calculating your gross revenue for this test, you do not have to determine if the goods and services you sell or provide are subject to GST/HST. The test works as follows:

- if you are in your first fiscal year, you do not have to register for GST/HST;
- if you are in your second fiscal year, calculate your gross revenue from your first fiscal year. If this amount is \$250,000 or less, you do not have to register (regardless of your total revenue from taxable goods and services); or
- if this is neither your first nor your second fiscal year, calculate your gross revenue in each of your two previous fiscal years. If this amount is \$250,000 or less in **either** of these years, you do not have to register, (regardless of your total revenue from taxable goods and services).

**Gross revenue** includes business income, donations, grants, gifts, property income, and investment income, **less** any amount considered a capital loss for income tax purposes.

You can determine your gross revenue by referring to your Form T3010A, *Registered Charity Information Return*, which you file for income tax purposes:

- if you use the cash method of accounting to complete Form T3010A, add the amounts receivable indicated on **lines 4110 and 4120** to your total on **line 4700**; or
- if you use the accrual method of accounting to complete Form T3010A, simply take the total amounts received from all sources on **line 4700**.

Whether your charity is incorporated or unincorporated, you have to use the gross revenue of your organization as a whole (the legal entity) to determine if you qualify as a small supplier under this test.

### **\$50,000 taxable supplies test**

The taxable supplies limit is \$50,000 for charities and other public service bodies.

Total revenues from taxable supplies include your worldwide revenues from your supplies of goods and services subject to GST/HST including your zero-rated supplies. It does **not** include sales of capital property, supplies of financial services, and certain payments for goodwill.

To determine if you are a small supplier under this test, calculate:

- your total revenue from taxable supplies in the current calendar quarter; and
- your total revenue from taxable supplies in the last four calendar quarters.

If each of these amounts adds up to \$50,000 or less, you do not have to register, but you can do so voluntarily.

If your charity has branches or divisions, you can apply to have them treated as individual small supplier divisions (see “Branches and divisions” on this page). If a branch or division qualifies as a small supplier division, it will not have to collect or remit GST/HST on its supplies of taxable goods and services.

### **Required registration**

If you make taxable supplies of goods and services and you are not a small supplier, based on the \$250,000 gross revenue test or the \$50,000 taxable supplies test, you have to register for GST/HST. For more information about registration, visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca) or call 1-800-959-5525.

### **Voluntary registration**

If you make taxable supplies of goods and services but you are a small supplier, based on either the gross revenue test or the \$50,000 taxable supplies test, you do not have to register for GST/HST. However, you may choose to register voluntarily.

If you register voluntarily, you have to charge and remit GST/HST on your taxable supplies of goods and services. You may also claim ITCs to recover GST/HST you pay or owe on expenses incurred to provide taxable goods and services. However, most charities have to use the net tax calculation for charities (explained on page 14), which restricts claiming ITCs.

A public service bodies’ rebate of 50% may be available for GST/HST you paid or owe for which you cannot claim ITCs. For more information, see “Rebate information for charities that are GST/HST registrants” on page 16.

## **Branches and divisions**

If you have to register for GST/HST or want to register voluntarily, your charity has to do so as a single entity. Branches or divisions that are part of one legal entity cannot register separately. You have to take into account the total revenue of the entity to determine whether or not you have to register.

However, if your charity has branches or divisions, you may apply to have each branch or division with \$50,000 or less in taxable supplies designated as a small supplier division. To apply for this treatment, send us a completed Form GST31, *Application by a Public Service Body to Have Branches or Divisions Designated as Eligible Small Supplier Divisions*, or call 1-800-959-5525. If we approve the designation for a small supplier division, the branch or division will no longer collect GST/HST on its taxable supplies (except for taxable sales of real property) and it cannot claim ITCs for its purchases.

A branch or division will qualify as a small supplier division if it meets all of the following conditions:

- it has taxable supplies of \$50,000 or less over the last four consecutive calendar quarters and also \$50,000 or less in the current calendar quarter;
- you can separately identify the branch or division by either its location or the nature of its activities;
- separate records, books of account, and accounting systems are kept for the branch or division; and
- you have not revoked an earlier designation of the branch or division within the previous 365-day period.

Once a branch or division no longer qualifies as a small supplier division, it has to start collecting GST/HST on its taxable supplies and may qualify for ITCs, subject to the limitations in the net tax calculation for charities.

GST/HST does not apply to supplies transferred between branches or divisions that are part of one legal entity.

## **Members of unincorporated organizations**

Generally, when one unincorporated organization (such as a club or association) is a member of an unincorporated main organization, but is a separate entity, the organizations have to charge GST/HST on taxable transactions between them, if they are registered for GST/HST. However, such organizations can apply jointly to have the member organization considered a branch of the main organization. The main organization has to send us a completed Form GST32, *Application To Deem One Unincorporated Organization To Be a Branch of Another Unincorporated Organization*. If the application is approved, GST/HST will not apply to transfers of goods and services between the member organization and the main organization.

#### Note

When two unincorporated organizations are members of the same unincorporated main organization and each member applies jointly with the main organization, using Form GST32, GST/HST will not apply to taxable transactions between the two member organizations, if both applications are approved.

## Cancelling your registration

If you are registered for GST/HST and you determine, after using the small supplier tests (see page 12), that you do not have to be registered, you can ask us to cancel your GST/HST registration. You can only cancel your registration if you have been registered for at least one year.

If your registration is cancelled, you do not charge GST/HST (other than on a taxable supply of real property by way of sale) and you cannot claim ITCs. You may also have to pay back some of the ITCs you claimed while you were a registrant. You may still be able to claim rebates, as you do not have to be registered to do so.

To cancel your registration, complete Parts A, B, and E of Form RC145, *Request To Close Business Number (BN) Accounts*, and send it to us or call 1-800-959-5525. Usually, we have to receive your request within 30 days of your year-end to cancel your registration, which will take effect after the last day of your fiscal year.

If other situations arise (for example, you stop making taxable supplies) and you no longer need to be registered, you should cancel your registration as described above.

## Determining your net tax as a charity

If you are a registrant, you have to file a GST/HST return (Form GST34, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return for Registrants*, which is automatically sent to you, or Form GST62, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return* which you can get by calling 1-800-959-5525). In your return, you calculate your net GST/HST remittance or refund.

In this guide, we explain how charities calculate net tax and rebates. This section covers net tax, and we explain rebates on page 16.

#### Note

When a charity fails to remit tax, the directors, officers, or members may be liable to remit an amount of net GST/HST owing. For more information, call 1-800-959-5525.

Charities that are registrants have to use a special net tax calculation, which is described in "Net tax calculation for charities" on this page. When you use this calculation, you generally remit 60% of the GST/HST you collect and claim ITCs only on certain items (listed in Step 2 of "Net tax calculation for charities"). In addition, you can claim the 50% public service bodies' rebate for GST/HST you paid or owe and did not claim as ITCs, whether that tax relates to your taxable or exempt activities.

Your charity, as a whole, can **elect not to use** the net tax calculation for charities if it makes supplies outside Canada or zero-rated supplies in the ordinary course of its business, or if 90% or more of its supplies are taxable. To make the election, send us a completed Form GST488, *Election or Revocation of an Election Not To Use the Net Tax Calculation for Charities*. You can then calculate the charity's net tax using the general rules. In addition, the charity may be eligible to use the simplified method to calculate ITCs. For more information on the general rules for calculating net tax and the simplified method to calculate ITCs, see Guide RC4022, *General Information for GST/HST Registrants*.

You may be eligible to use the simplified rebate calculation. For more information, see Guide RC4034, *GST/HST Public Service Bodies' Rebate*.

#### Note

**Only** designated charities may still be eligible to use the Special Quick Method. A designated charity is a charity, one of whose main purposes is to provide employment or employment-related assistance to individuals with disabilities. It is designated because it applied to have certain exempt services it provides made taxable. These charities **are not eligible** to use the net tax calculation for charities. For more information, see "Charities providing employment assistance to individuals with disabilities" on page 8.

## Reporting periods

We assign all GST/HST registered charities an annual reporting period, regardless of their revenues. This means that most GST/HST registered charities file annual returns. However, you can choose to file your GST/HST returns either monthly or quarterly by sending us a completed Form GST20, *Election for GST/HST Reporting Period*, or by calling 1-800-959-5525.

## Net tax calculation for charities

To calculate your net tax remittance for a reporting period using the net tax calculation for charities, follow these steps:

### Step 1 – Determine the total of:

- 60% of GST/HST you charged, whether you have collected it or not, on taxable supplies such as inventory;
- all GST/HST you charged on taxable sales of capital and real property, including deemed taxable sales of capital and real property;
- all GST/HST deemed payable on property or services you appropriated to, or for the benefit of, a member or relative of a member of the charity (for example, an inventory item or other asset you gave to this person);
- all tax deemed payable on any good or service you provided to an employee that is a taxable benefit for income tax purposes;
- all tax collected on supplies you made as an auctioneer or agent where you have to account for the tax;
- all tax collected from a person by mistake;

- all amounts you have to consider as tax because of the recovery of a bad debt for a taxable sale of real property or capital property;
- the total tax adjustments for the reporting period on acquisitions of real property or capital property for which you previously claimed ITCs; and
- if you temporarily stopped filing GST/HST returns for specific reporting periods in which you had \$1,000 or less of net GST/HST to report and you notified us, add any amount you carried forward from those periods.

Enter this total on **line 105** on your GST/HST return.

### Step 2 – Determine the total of:

- ITCs you are claiming for purchases of, or improvements to, real property and capital property for use mainly in commercial activities, including the deemed tax payable when capital property is brought into a participating province to use in your commercial activities;
- all ITCs for goods you bought, imported or brought into a participating province that are sold by a person or an auctioneer acting as your agent;
- all ITCs for goods you imported on behalf of a non-resident for use exclusively in your commercial activities and sold when you are acting as an agent of the non-resident person;
- 60% of the total of the tax adjustments that you gave in the period to buyers of certain goods or services (for example, returned inventory items) or of rebates of the provincial part of HST that you gave on purchases of printed books;
- all amounts you credited as a rebate to a third party (for example, new housing or tour package rebates);
- all tax adjustments you gave for tax collected in error or bad debts you wrote off during the period for the sale of real property or capital property; and
- all ITCs that you were entitled to claim and that you carried forward from a reporting period when you did not have to use this net tax calculation method.

Enter this total on **line 108** on your GST/HST return.

**Step 3 – Subtract** your total in Step 2 (**line 108**) from your total in Step 1 (**line 105**). The result is your net tax. Enter this amount on **line 109** on your GST/HST return.

### Example

You are a charity located in Alberta, and you are registered for GST/HST. You operate an art gallery and use the net tax calculation for charities. Your main revenue is taxable gallery admissions. During your reporting period, you earned exempt revenues from parking and held an exempt fund-raising dinner. In addition, you acquired computer equipment and installed a ventilation system for use mainly in your commercial activities.

Your taxable revenues and expenses are as follows:

#### Taxable revenues:

Gallery admissions.....	\$20,000
Sales from gift shop .....	<u>\$5,000</u>
Total.....	\$25,000
GST collected (\$25,000 × 5%) .....	\$1,250

#### Taxable purchases:

Contracted services (maintenance).....	\$3,000
Utilities .....	\$1,500
Ventilation system .....	\$9,200
Computer equipment.....	\$2,000
Gift shop inventory purchases .....	\$2,500
Catering services for fund-raising dinner .....	<u>\$3,500</u>
Total.....	\$21,700
GST paid on purchases (\$21,700 × 5%) .....	\$1,085

### Net tax calculation

#### Step 1

Enter \$750 on **line 105** of your GST/HST return (60% of the \$1,250 GST collected).

#### Step 2

You can claim ITCs for GST you paid for the ventilation system (improvement to real property) and for the computer equipment (capital property purchase) that you intend to use in your commercial activities.

$$\text{ITC} \quad 5\% \times (\$9,200 + \$2,000) = \$560$$

#### Step 3

The amount you calculate in Step 1 **less** the amount you calculated in Step 2 equals your net tax before any rebates.

$$\text{Net tax} \quad \$750 - \$560 = \$190$$

Enter this amount on **line 109**.

You would also be entitled to claim a 50% public service bodies' rebate of the **remaining** GST/HST paid. See "Rebate information for charities that are GST/HST registrants" on the next page.

## Input tax credits

This section is for charities that elected not to use the net tax calculation for charities by filing Form GST488, *Election or Revocation of an Election Not To Use the Net Tax Calculation for Charities*, (see "Determining your net tax as a charity" on page 14). If you use the net tax calculation for charities, see Step 2 in "Net tax calculation for charities" on the previous page.

You can use the general rules **or** the simplified method to calculate ITCs. They are both explained in Guide RC4022, *General Information for GST/HST Registrants*.

Examples of expenses eligible for ITCs include:

- general operating expenses, such as office rent and utilities, to the extent that they are for use in your commercial activities;
- purchases related to taxable restaurant sales;
- new merchandise bought to sell at a price more than its direct cost;
- meals and entertainment expenses relating to your commercial activities;
- allowances and reimbursements relating to your commercial activities that you paid to employees and volunteers;
- acquisitions of capital property (such as office furniture, photocopiers, computers, vehicles, and real property) used mainly (more than 50%) in commercial activities; and
- purchases of and improvements to real property used mainly in commercial activities.

Some charities can claim a rebate to recover part of GST/HST paid on expenses for which they cannot claim ITCs. For more information, see “Rebate information for charities that are GST/HST registrants” on this page.

Most registrants claim their ITCs when they file their GST/HST returns for the reporting period in which they made their purchases. However, you can generally claim ITCs in a later return, as long as it is claimed by the due date of the return for the reporting period that ends within four years after the period in which the credit could first have been claimed.

### Example

You are a quarterly filer and you pay GST on goods for resale in the reporting period of October 1, 2008, to December 31, 2008, for which you can claim ITCs. Since the end of the reporting period is December 31, 2008, you can claim ITCs no later than January 31, 2013, (the due date of the return) for the last reporting period that ends on or before December 31, 2012.

There are different rules for claiming ITC's for charities that are listed financial institutions. For more information, call 1-800-959-5525.

### Note

You cannot claim ITCs for GST/HST you pay or owe on purchases and expenses that relate to supplies of goods and services you sell, use, or consume in the course of your exempt activities.

## Rebate information for charities that are GST/HST registrants

If you are a GST/HST registrant, you can claim a public service bodies' rebate of 50% of the GST, or of the federal part of the HST, you paid or owe on eligible purchases and expenses for which you cannot claim ITCs. Generally, this is the total of all GST and the federal part of HST that became payable during a reporting period, less all ITCs you may claim for that period. However, certain purchases of goods and services do not qualify (see “Purchases and expenses not eligible” on page 10). Most charities are also eligible for a 50% rebate of the **provincial part** of the HST, if they are residents of a participating province.

If your charity is not resident in a participating province, but you buy goods or services in a participating province, you may be entitled to a separate rebate of the 8% provincial part of HST. For more information, see “Rebate for property or services removed from a participating province” on page 11.

Charities may also be entitled to a rebate on exported goods and services, as well as purchases of printed books. For more information, see “Other rebates available” on page 11.

For more information on what you can claim and how to make your claim, see Guide RC4034, *GST/HST Public Service Bodies' Rebate*.

## How to apply for the rebate

To apply for this rebate, send us a completed Form GST284, *GST/HST Rebate Application for Public Service Bodies* or Form GST66, *Application for GST/HST Public Service Bodies' Rebate and GST Self-Government Refund*. You can file your rebate application when you file your GST/HST return. If you do this, include your rebate amount on **line 111** of your GST/HST return and simply remit the difference between the amount of your net tax owing and the amount of your rebate. Send the rebate application, with your GST/HST return, to the address shown on your return.

## Time limit

The deadline for filing your rebate application is four years from the due date of your GST/HST return for the claim period in which you incurred the expense.

## Branches and divisions

You can file the rebate application for your charity as a whole, or, if your charity has branches or divisions, you can apply to have the branches or divisions file separate GST/HST returns and rebate applications. To do so, each branch or division has to be identifiable by either its location or the nature of its activities, and separate books and records have to be kept for the branch or division. The head office has to apply for this by sending us a completed Form GST10, *Application or Revocation of the Authorization to File Separate GST/HST Returns and Rebate Applications for Branches or Divisions*, or by calling 1-800-959-5525.

## Note

If you are expecting a rebate after filing a rebate application, you will receive the rebate amount only if you have filed all returns for all of your branch's applicable business program accounts required under the *Excise Tax Act* (ETA), the *Income Tax Act* (ITA), the *Excise Act, 2001*, and the *Air Travellers Security Charge Act* (ATSCA).

If you owe amounts under the ETA, the ITA, the *Excise Act, 2001*, or the ATSCA, the rebate will be used to offset the other debt.

## How to claim both rebates and input tax credits

This section applies to charities that are GST/HST registrants and that are involved in both commercial and exempt activities. It explains how to claim both ITCs and a 50% public service bodies' rebate on your purchases and expenses.

### Charities using the net tax calculation

For charities using the net tax calculation, all eligible amounts of GST/HST paid or payable that are not included as ITCs in the net tax calculation qualify for the 50% public service bodies' rebate (whether GST/HST amounts relate to taxable or exempt activities). For more information, see Step 2 in "Net tax calculation for charities" on page 14.

### Charities not using the net tax calculation

#### General operating expenses

The rules outlined in this section apply if you have elected not to use the net tax calculation method.

General operating expenses include rent, management, administration, utilities, and other support functions of your charity, office rentals, and office supplies such as paper, computer disks, and pens.

When you can attribute these expenses to either a taxable or exempt activity, the rules are as follows:

- if you use your general operating expenses all or substantially all (generally 90% or more) to provide taxable goods and services, you can claim full ITCs for the GST/HST you paid or owe on these expenses; or
- if you use your general operating expenses all or substantially all to provide exempt goods and services, you cannot claim ITCs. Instead, you can claim a 50% public service bodies' rebate.

When your charity provides both taxable and exempt goods and services, you have to apportion the GST/HST you paid or owe on general operating expenses if both of the following conditions apply:

- you are not using the net tax calculation method for charities as explained on page 14; and

- you cannot directly attribute these expenses all or substantially all (90% or more) to either a taxable or an exempt activity.

You have to divide the GST/HST you paid or owe on your general operating expenses between the part used for taxable activities and the part used for exempt activities. You can claim ITCs for the part of general operating expenses you use in commercial activities to provide taxable supplies of goods and services, and a public service bodies' rebate for the remaining tax.

#### Example

You are a charity operating in British Columbia and your overhead expenses, for both taxable and exempt activities combined, are \$2,000 per month plus \$100 GST. If 40% of your activities involve providing taxable supplies of goods and services and 60% involve providing exempt supplies of goods and services, you claim ITCs and a 50% public service bodies' rebate as follows:

GST paid.....	\$100
Amount related to taxable activities eligible for an ITC ( $\$100 \times 40\%$ ).....	\$40
Amount related to exempt activities eligible for a public service bodies' rebate ( $\$100 \times 60\%$ ).....	\$60
Rebate ( $\$60 \times 50\%$ ).....	\$30

Include \$40 on **line 108** of your GST/HST return, and \$30 on **line 305** of Part D of Form GST284, *GST/HST Rebate Application for Public Service Bodies* (or **line 305** of Part E of Form GST66, *Application for GST/HST Public Service Bodies' Rebate and GST Self-Government Refund*).

If you operate a charity out of your home, you have to determine what percentage of your utility bills is for the charity's operations. You can only claim a 50% rebate for the part related to the charity's operations.

### Allowances and reimbursements

You can claim ITCs for allowances you pay to an employee or a volunteer for taxable expenses that they incur in Canada, or for the use of a motor vehicle in Canada that relates to your commercial activities. For example, you might pay volunteers an allowance for the use of their automobiles for errands related to your commercial activities. You can claim, as ITCs, a fraction of the amount of the allowance paid for expenses subject to GST/HST.

#### After December 2007, the fractions are:

- 5/105 of the amount of the allowance paid for expenses taxable at 5%; and
- 13/113 of the amount of the allowance paid for expenses taxable at 13% (where 90% or more of the purchases were made in a participating province).

**Before January 2008 and after June 30, 2006, the fractions were:**

- 6/106 of the amount of the allowance paid for expenses taxable at 6%; and
- 14/114 of the amount of the allowance paid for expenses taxable at 14% (where 90% or more of the purchases were made in a participating province).

**Before July 1, 2006, the fractions were:**

- 7/107 of the amount of the allowance paid for expenses taxable at 7%; and
- 15/115 of the amount of the allowance paid for expenses taxable at 15% (where 90% or more of the purchases were made in a participating province).

Similarly, you can claim ITCs for reimbursements you give an employee or a volunteer who incurs expenses subject to GST/HST relating to your commercial activities.

If the allowance or reimbursement is for expenses incurred relating to your exempt activities, you can claim a 50% public service bodies' rebate. For example, you can claim a 50% rebate of GST/HST included in the reimbursement you give a volunteer for gasoline used to transport meals to seniors in their own homes for a meals-on-wheels program.

If you operate out of the home of one of your employees or volunteers, and you reimburse the employee or volunteer a percentage of the utility bills of his or her home, you can only claim a public service bodies' rebate of 50% of the GST/HST related to the part of the reimbursement.

## Capital property

Special rules exist for calculating ITCs for capital property. Capital property for GST/HST purposes is:

- any depreciable property. This means property that is eligible or would be eligible for capital cost allowance for income tax purposes; and
- any property, other than depreciable property, from which any gain or loss if you disposed of the property would be a capital gain or capital loss for income tax purposes.

There are two types of capital property: capital personal property and capital real property. Capital personal property includes computers, photocopiers, office furniture, cash registers, equipment, and machinery. Capital real property includes land and buildings.

You can claim a 100% ITC of the GST/HST you paid or owe on the acquisition of capital property if you intend to use it **mainly** (more than 50%) in your commercial activities.

You can claim a 50% public service bodies' rebate for GST/HST you paid or owe on the acquisition of capital property if you do not intend to use it mainly (more than 50%) in your commercial activities.

## Example

You bought a computer for \$2,000 plus \$100 GST. You use the computer 60% in your commercial activities and 40% in your exempt activities. Since the computer is used more than 50% in your commercial activities, you can claim the full amount of GST paid (\$100) as an ITC.

## Capital property change in use rules

The use of property may change over the years. You have to apply the change-in-use rules in the following situations:

- your capital property that was used 50% or more in non-commercial activities is now used more than 50% in commercial activities; or
- your capital property that was used more than 50% in commercial activities is now used 50% or more in non-commercial activities.

In each situation, you have to determine **the basic tax content** of the property when the change occurs. The basic tax content of a property generally means:

- GST/HST payable on the purchase of a property; and
- GST/HST payable on any improvements to the property;

less:

- any amounts that were reimbursed to you (such as the 50% public service bodies' rebate); and
- any amounts that would have been reimbursed to you if the property acquired, or an improvement to that property, was used exclusively in exempt activities (not including ITCs).

You also have to take into account the fair market value of the property at the time of the change in use as well as the original cost (including any improvements).

Generally, charities will calculate the **basic tax content** of a property as follows:

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

where:

- A is GST/HST payable at last acquisition and GST/HST payable on improvements to the property;
- B is any rebate or refund entitlement (not including ITCs). For charities, this amount usually equals 50% of the amount in "A" above; and
- C is the lesser of:
  - 1; and
  - the fair market value of the property at the time of the change in use **divided** by the cost at the last acquisition of the property and improvements to the property.

This formula may not apply to a charity that is a municipality or designated to be a municipality. For more information, call 1-800-959-5525.

### From non-commercial to commercial use

When you buy capital property for use mainly in non-commercial activities, you cannot claim ITCs to recover GST/HST you paid. However, if you later change the main use of capital property from non-commercial to commercial use, you are deemed to have sold **and** reacquired the property at that time and to have paid GST/HST equal to the basic tax content of the property at that time.

This means that if you change the main use from non-commercial to commercial use, you can claim ITCs for the property equal to the basic tax content of the property at that time.

The following example shows the basic tax content calculation at the time of a change of use.

#### Example

Your charity is registered for GST/HST and operates in Ontario. You paid GST on a machine bought for use mainly for exempt activities. You claimed a 50% public service bodies' rebate for GST you paid since you could not claim ITCs for this acquisition.

Cost of machine.....	\$50,000
GST payable (\$50,000 × 5%) .....	\$2,500
50% public service bodies' rebate (\$2,500 × 50%) .....	\$1,250

Later, you change your main use of the machine to commercial activities. You can then claim an ITC equal to the basic tax content of the machine when the main use changed. If you made any improvements to the machine, the basic tax content would also include GST you paid or owe on these improvements.

If the fair market value of the machine when you changed the use is \$40,000, you can claim an ITC of \$1,000, calculated according to the basic tax content formula, as follows:

$$\begin{aligned}\text{Basic tax content} &= (A - B) \times C \\ &= (\$2,500 - \$1,250) \times \$40,000/\$50,000 \\ &= \$1,000\end{aligned}$$

You can claim an ITC of \$1,000 for the change in main use. This amount is included in the total on **line 108** of your GST/HST return.

### From commercial to non-commercial use

If you change the main use from commercial to non-commercial activities, you are deemed to have sold the property at that time **and** to have collected GST/HST equal to the basic tax content of the capital property at that time. Since your main use of the property is now for non-commercial activities, you have to remit the GST/HST you are deemed to have collected. This will pay back any ITCs you claimed when you bought or made improvements to the property.

#### Note

There is no entitlement to the 50% public service bodies' rebate at this time, as the basic tax content formula takes into account the rebate.

#### Example

You are a charity operating in Manitoba. On January 1, 2008, you bought a machine for \$50,000 plus \$2,500 GST for use mainly in commercial activities. You claimed a full ITC for the \$2,500 GST you paid. You later change the main use of the machine to exempt activities when the machine's fair market value is \$40,000. You have to remit GST based on the machine's basic tax content at that time.

$$\begin{aligned}\text{Basic tax content} &= (A - B) \times C \\ &= (\$2,500 - \$1,250) \times \$40,000/\$50,000 \\ &= \$1,000\end{aligned}$$

You enter \$1,000 on **line 105** of your GST/HST return, in the reporting period in which the change occurred. You cannot claim a public service bodies' rebate, as the rebate you could have claimed was accounted for in the basic tax content calculation (amount B).

## Real property

In this section, we explain how charities treat certain sales, leases, and other types of supplies of real property. We summarize the general rules for claiming ITCs and rebates. We also describe the special election available to have exempt supplies of real property treated as taxable supplies.

### Real property of a charity that is a GST/HST registrant

A charity that is a GST/HST registrant that acquires real property to use as capital property has to use the **main use** rule to determine the ITCs it can claim for GST/HST paid on the acquisition. A GST/HST registrant charity that acquires an improvement to capital real property has to determine their ITC eligibility based on the main use of the real property after it was last acquired.

Similarly, the charity has to use the main use rule if a change in use of the property occurs.

**Main use** means the property is being used more than 50% of the time in those activities (that is, either in commercial activities or in non-commercial activities).

The other expenses related to real property such as maintenance and utilities are subject to the usual rules. You can claim ITCs based on the percentage of use of those expenses in your commercial activities, as explained on page 17.

## Taxable sales and leases

Generally, most sales, leases, or other supplies of real property by charities are exempt from GST/HST. However, the following supplies are excluded from the general exemption and are subject to GST/HST:

- the sale of a new or substantially (90% or more) renovated residential complex;
- the sale of a used residential complex if you are a builder who claimed ITCs on your last acquisition of, or on an improvement to, the complex;
- the deemed sale of a new or substantially renovated residential complex if you are a builder;
- most deemed supplies of real property. For example, when you change the main use of the property from commercial activities to non-commercial activities (see “From commercial to non-commercial use” on this page);
- the sale of land to an individual or a personal trust, unless there is a structure on it that you used as an office or in commercial activities or in making exempt supplies;
- the sale of real property that, immediately before the time of the sale, you used mainly in your commercial activities;
- the supplies of designated municipal property if you are a designated municipality for the purposes of claiming public service bodies’ rebates; and
- real property that you choose to treat as taxable by filing an election with us (see “Election for real property of a public service body” below).

## Election for real property of a public service body

As previously mentioned, most sales, leases, or other supplies of real property by charities are exempt from GST/HST. Even if you are registered for GST/HST, you cannot claim ITCs for GST/HST you paid or owe on acquisitions of real property, on acquisitions of improvements to real property, or on other ongoing expenses related to real property that you supply to others, where the property is used mainly in making exempt supplies.

However, as a charity, you can choose to file an election that allows you to treat certain exempt sales and leases of real property as taxable supplies. This election allows you to claim ITCs for GST/HST you paid or owe on the acquisition of the property, or any improvements to it, **to the extent that the property is used to make taxable supplies (as long as it is used at least 10% to make taxable supplies).**

This election applies to the following real property:

- capital real property;
- real property held in inventory for the purpose of supplying it; and
- real property acquired by way of lease, licence or similar arrangement, for the purpose of making a re-supply of the property by way of lease, licence or similar

arrangement or for the purpose of assigning the arrangement.

To make this election, you have to send us a completed Form GST26, *Election or Revocation of an Election by a Public Service Body to Have an Exempt Supply of Real Property Treated as a Taxable Supply*.

When you make this election, the following rules apply:

- you charge GST/HST on the sale, lease, or licence of the property, except on supplies of real property that are exempt (such as long-term residential rents);
- you calculate and claim your ITCs based on the percentage of use of the property in your commercial activities (you have to use it at least 10% in commercial activities to be able to claim ITCs); and
- this election allows you to claim ITCs on purchases and expenses related to the real property (such as maintenance and utilities) to the extent that the property is used in a commercial activity and **if you have made the election not to use the net tax calculation method assigned to charities** (see “Net tax calculation for charities” on page 14).

You can elect when you acquire the real property, or in later reporting periods.

## Election effective the day of acquisition

If the election becomes effective on the date you acquire the real property, you claim your ITCs based on the percentage of use of the property in your commercial activities (as long as it is used at least 10% in commercial activities).

### Example

Your charity is engaged only in exempt activities. You buy real property that contains a four-story building where the first floor is used in your business. You lease the other three floors to other businesses (exempt activity). Since the entire property is used only for exempt activities, you cannot claim ITCs to recover GST/HST you paid on the acquisition of the property. However, if you file Form GST26, and make the election effective on the day you acquire the property, GST/HST applies to the leases of the offices on the second, third, and fourth floors. If you determine that 75% of the property is now used in commercial activities, you can claim ITCs for 75% of the GST/HST you paid on the acquisition of the property. You can also claim a 50% public service bodies’ rebate for the remaining GST/HST for which you could not claim ITCs.

In addition, **if you have made the election not to use the net tax calculation method assigned to charities**, you can claim ITCs on purchases and expenses related to the second, third, and fourth floors (such as maintenance and utilities).

## Election effective after the day of acquisition

If the election becomes effective on a date after you acquired the real property, you can generally claim ITCs to recover all or part of the GST/HST you paid on the last acquisition and were previously unable to recover because

the property was not used mainly (more than 50%) in commercial activities. Before calculating your ITCs, you have to determine the **basic tax content** of the property (see “Capital property” on page 18). When you make this election effective at a date after the day of acquisition of the property, the following rules apply:

- you are deemed to have made a taxable sale of the property immediately before the effective date of the election and to have collected GST/HST on the sale equal to the basic tax content of the property on the effective date of the election. You would also be deemed to have purchased the property on the effective date of the election and to have paid GST/HST on the deemed purchase equal to the basic tax content of the property on the effective date of the election. You have to report the tax on **line 105** of your GST/HST return;
- you are entitled to claim ITCs equal to the basic tax content provided the property was not used mainly in commercial activities immediately before the deemed sale; and
- you are entitled to ITCs for the GST/HST paid on the deemed acquisition based on the extent of use of the real property in commercial activities.

### Example

Your charity is registered for GST/HST purposes. In 2007, you acquired a building in Ontario for \$300,000 plus \$18,000 GST. At that time, you used 70% of the building in your exempt activities and leased 30% of the building (also used in an exempt activity). Since the property was not for use mainly (more than 50%) in commercial activities, you could not claim ITCs on the acquisition of the building. However, you were entitled to claim the 50% public service bodies' rebate ( $\$18,000 \times 50\% = \$9,000$ ).

In 2008, you file the election to treat the exempt leases as taxable. This means that you are now using the property 30% in your commercial activities. You have not made any improvements to the property. The fair market value of the property at the time the election is made is \$310,000.

You first have to determine the basic tax content of the property (see “Capital property change in use rules” on page 18) as follows:

$$\begin{aligned}\text{Basic tax content} &= (A - B) \times C \\ &= (\$18,000 - \$9,000) \times 1 \\ &= \$9,000\end{aligned}$$

GST paid on acquisition of building.....	\$18,000
GST paid and collected on deemed sale.....	\$9,000
ITC available at time of deemed sale.....	\$9,000
ITC available on the deemed acquisition based on the percentage of use of the building in your commercial activities \$ 9,000 X 30%.....	\$2,700
You can claim an ITC of \$2,700	

In addition, you can claim ITCs for 30% of the GST paid or payable on operating expenses related to the commercial use of the building (such as maintenance and utilities) if **you have made the election not to use the net tax calculation method assigned to charities.**

The charity is **not** eligible to claim another public service bodies' rebate for the tax deemed paid for which an ITC was not available (70% of \$9,000).

For the purposes of this election, **real property** means the entire estate or interest in the real property held by the charity included in the legal description or leasehold interest (which includes all structures and other improvements that are fixtures to the land).

### Filing the election

To make the election, you have to file Form GST26, *Election or Revocation of an Election by a Public Service Body to Have an Exempt Supply of Real Property Treated as a Taxable Supply*, no later than one month after the end of the reporting period in which the election is to become effective. You have to file this election for **each** property that you want to treat as taxable.

You can revoke this election by filing another Form GST26. The revocation will be effective on the day you specify on Form GST26 as long as you file the form within one month after the end of the reporting period in which the election ceases to be effective.

### Note

If the effective date of revocation is on or after May 2, 2006, you will generally have to remit GST/HST equal to the basic tax content of the property. Before May 2, 2006, the GST/HST was calculated on the fair market value of the property.

### Change in use rules when election is in effect

The following rules apply **only** to capital real property for which you made an election to treat exempt supplies of real property as taxable supplies, and if you are registered for GST/HST.

When you make the election to treat exempt supplies of real property as taxable supplies, ITCs are calculated based on the percentage of use in commercial activities. It is possible that this percentage will change over the years depending on the use of the property.

### Increasing commercial use

When you increase the commercial use of capital real property by 10% or more cumulatively, you can claim ITCs equal to the **basic tax content** of the property multiplied by the percentage of increase in commercial use of the real property.

### Reducing commercial use

When you decrease the commercial use of real property by 10% or more cumulatively (without ceasing or reducing the total commercial use to 10% or less), we consider you to have collected GST/HST on the part you no longer use in your commercial activities. The amount of GST/HST you have to account for when determining your net tax is equal to the **basic tax content** of the property multiplied by the percentage of decrease in commercial activities. You have to remit any resulting positive amount of net tax.

### Ceasing commercial use

When you stop using the real property for commercial use or decrease the commercial use to 10% or less, we consider you to have sold and reacquired the property.

If the deemed sale is taxable, the amount of GST/HST you have to account for when determining your net tax is equal to the **basic tax content** of the property. If the real property was used partially in non-commercial activities before the change in use, call **1-800-959-5525** for more information.

For more information, see GST/HST Memorandum 19.4.2, *Commercial Real Property – Deemed Supplies*.

### Self-supply rules for builders who receive government funding

Special self-supply rules apply to builders who receive government funding to construct (or build an addition to) a residential complex where at least 10% of the residential units are intended to be supplied to seniors, youth, students, or individuals with special needs or limited financial resources.

**Government funding** means financial payments from a grantor that can be measured and identified in your financial statements as government funding and includes:

- a grantor's payment to support or promote your charity's objectives, but not to pay for goods or services you make; and
- a forgivable loan you receive from a grantor.

A **grantor** can be from any level of government—federal, provincial, or municipal. It also includes Indian bands, as well as bodies established by federal, provincial, or municipal governments or bands to fund charitable or non-profit activities for the government or Indian bands. We do **not** consider federal and provincial Crown corporations that perform substantially all (90% or more) commercial activities to be grantors.

During the construction phase, you can register for the GST/HST and claim ITCs for the goods and services you buy that relate to the construction of the complex.

Under the self-supply rules, when the construction is substantially completed, and you first give possession of a unit of the building under a lease, licence, or similar arrangement to an individual for use as a place of residence, you are deemed to have sold the building and the related land.

Consequently, you, as the builder, have to calculate and account for GST/HST based on the greater of the following:

- GST/HST on the fair market value of the building and related land; and
- the total of all GST/HST you paid or owe for the construction of the building, the land related to the building, and any improvements to it.

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#### Example

Your charity registers for GST/HST to construct a multiple-unit residential building for students for which you receive government funding. The building's fair market value is less than the cost to construct it. When you first give possession under lease of a unit in the building to an individual as a place of residence, you have to calculate and account for the deemed tax which is equal to the total of all GST/HST payable for the construction of the building, purchase of the land related to the building, and any improvements to it, since the fair market value is less than the total of these costs. The GST/HST deemed to be collected, will be included in determining your net tax. Any positive amount of net tax must be remitted. As a charity, you can claim the 50% public service bodies' rebate for the deemed GST/HST paid or payable on self-assessment.

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## For more information

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

To get forms or publications, visit our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) or call 1-800-959-2221.

For more information or enquiries, visit our Web site at [www.cra.gc.ca/gsthst](http://www.cra.gc.ca/gsthst) or call 1-800-959-5525.

### Teletypewriter users

If you have a hearing or speech impairment and use a teletypewriter, you can call our bilingual enquiry service at 1-800-665-0354 during regular business hours.

### Direct deposit



If you are expecting refunds or rebates when you file your GST/HST returns, you can send us a completed Form GST469, *Direct Deposit Request*. This

is a safe, convenient, dependable, and time-saving method of receiving your GST/HST refunds and rebates.

Once processed, you will be able to view your direct deposit banking information using **My Business Account** on our Web site at [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount).

### Our service complaint process

#### Step 1 – Talk to us

If you are not satisfied with the **service** you have received from us, you have the right to make a formal complaint. Before you make a complaint, we recommend that you try to resolve the matter with the CRA employee you have been dealing with (or phone the 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. The employee will provide you with the supervisor's name and telephone number.

#### Step 2 – Contact CRA – Service Complaints

This service is available to individual and business taxpayers and benefit recipients who have dealings with us. It is meant to provide you with an extra level of review if you are not satisfied with **step 1** of our complaint process. In general, service-related complaints refer to the quality and timeliness of the work we performed.

If you choose to bring your complaint to the attention of CRA – Service Complaints, complete Form RC193, *Service-Related Complaint*, which you can get by visiting our Web site at [www.cra.gc.ca/complaints](http://www.cra.gc.ca/complaints) or by calling 1-800-959-2221.

#### Step 3 – Contact the office of the Taxpayers' Ombudsman

If, after following **steps 1 and 2**, you are still not satisfied with the way that the CRA has handled your complaint, you can file a complaint with the Taxpayers' Ombudsman.

For more information on the Taxpayers' Ombudsman and on how to file a complaint, visit their Web site at [www.taxpayersrights.gc.ca](http://www.taxpayersrights.gc.ca).

### My Business Account

This online service provides convenient and secure access to a growing range of personalized business account information and services. Through **My Business Account** you can do the following:

- view account balances and transactions;
- authorize or manage representatives;
- change your mailing instructions;
- search your payment history;
- ask for interest reviews;
- ask for credit transfers;
- ask for more remittance forms; and
- ask for copies of notices and statements.

To use **My Business Account**, you need a Government of Canada epass. For more information and to apply for your Government of Canada epass, visit our Web site at [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount).

### 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:



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Canada Revenue Agency  
750 Heron Road  
Ottawa ON K1A 0L5