

Prepare for Ontario's HST: #14 – Retail Sales Tax Clearance Certificate Requirements Post June 30th, 2010

Vendors that sell their business or business assets, in whole or in part, through a sale in bulk to which the *Bulk Sales Act* applies, are required to obtain a Clearance Certificate from the Ontario Ministry of Revenue. This section of the *Retail Sales Tax Act* was not repealed.

Clearance Certificates

As Retail Sales Tax (RST) liabilities may continue to exist for a period after June 30, 2010, where a sale occurs under the *Bulk Sales Act* on or after July 1, 2010, the selling party will continue to be required to obtain a Clearance Certificate from the Ontario Ministry of Revenue certifying that all RST collectable or payable by the seller has been paid or secured. The purchasing party is required to obtain a copy of the Clearance Certificate from the seller. If the purchaser fails to obtain a copy of the Clearance Certificate from the seller, the purchaser could be held liable for any RST owing by the seller at the time of the sale.

How to Request a Clearance Certificate

All requests for Clearance Certificates must be made in writing, at least two weeks before the sale takes place, and signed by the seller or the seller's authorized representative. Please call 1-866-ONT-TAXS (1 866 668-8297) for the address of your local tax office where you may mail your request.

For more detailed information on how to obtain a Clearance Certificate, see ***RST Clearance Certificate Checklist*** available on our website.

More Information

- Call Ontario's Budget hotline at 1-800-337-7222, Teletypewriter (TTY) 1800-263-7776, or visit ontario.ca/taxchange for general information on introduction of the HST in Ontario and wind down of the RST.
- To obtain the most current version of this tax tip, visit our website at ontario.ca/revenue.
- To obtain a written interpretation on a specific situation relating to RST clearance certificates that is not addressed in this publication, please send your request in writing to:

Ministry of Revenue
Tax Advisory Services Branch
Retail Sales Tax Section
33 King Street West, 3rd Floor
Oshawa ON
L1H 8H5