

October 11, 2012

Mathematical Factors Used to Claim an ITR

Starting January 1, 2013, the QST rate will be raised from 9.5% to 9.975%. As a result, the factor used to calculate the tax deemed paid by a person who pays an allowance to an employee, a partner or a volunteer supplying services will be increased from 9.5/109.5 to 9.975/109.975 for an allowance paid after December 31, 2012.

The change in the QST rate does not entail any change in the specified percentage and the specified factor for the LB simplified method and the SMB simplified method used respectively by large businesses (LB) and small and medium-sized businesses (SMB) to claim an ITR.

| | QST rate | Mathematical factor for an allowance paid | Specified percentage (LB simplified method) | Specified factor (SMB simplified method) |
|-------------|-----------------|--|--|---|
| 2010 | 7.5% | 7.5/107.5 | 4.1% | 7/107 |
| 2011 | 8.5% | 8.5/108.5 | 4.5% | 8/108 |
| 2012 | 9.5% | 9.5/109.5 | 5% | 9/109 |
| 2013 | 9.975% | 9.975/109.975 | 5% | 9/109 |