

Goods and Services Tax

You must register for a GST/HST account if your business meets one of these conditions:

- Your annual worldwide taxable revenues, including the taxable revenues of all your associates, will be more than \$30,000.
- You operate a taxi or limousine.
- You are a non-resident who solicits orders in Canada for goods sent by mail or courier, and your worldwide GST/HST-taxable sales will be more than \$30,000.
- You are a non-resident and you charge admission directly to audiences at activities or events in Canada.

If your goods/services are GST/HST-taxable, but your sales are less than \$30,000, you can *voluntarily* choose to register. This will allow you to claim the GST paid to operate the business.

When you register for GST/HST, you will be assigned a reporting period for filing your returns. We base the reporting period on the total annual sales of taxable goods/services in Canada, including the sales of your associates. You have to file a GST/HST return even if there is no money to be remitted or refunded. You have to file:

Annually –annual taxable sales in Canada that are \$500,000 or less (see notes below).

Quarterly – annual taxable sales between \$500,000 and \$6 million.

Monthly – annual taxable sales that are more than \$6 million.

*You can increase your reporting periods but you cannot decrease them.

Notes: If you are an annual filer and your net GST/HST is \$1,500 or more, you have to remit GST/HST in quarterly installments. After you file your first annual return, you will be told if you need to start paying GST/HST in installments, and the amount of each payment. Your installment payments are due no later than one month after the last day of each fiscal quarter. When you file your GST/HST return, include the balance of GST/HST owing for that year.

If you are an individual (not incorporated) who is an annual filer with a calendar fiscal year, you have until June 15 of the next year to file your GST/HST return, which is when your income tax return is due. If your fiscal year is not a calendar year, your return and any remittances are due three months *after* the end of your fiscal year.

You can claim a refund of GST/HST paid or payable on goods and services bought for use in your business. This is called an input tax credit (ITC). You use input tax credits to offset any GST/HST you have collected or will collect. If the total input tax credits that you claim for a period is more than the total GST/HST collected or collectible, you will be issued a refund. You can claim a full input tax credit when you use the goods or services exclusively for your business. If you use only a percentage for your business, you have to reduce the input tax credit accordingly.

For More Information

Internet: <http://www.cra-arc.gc.ca>

Toll Free: 1-800-959-5525