



## **New Harmonized Sales Tax in Ontario and BC**

The provincial governments in British Columbia and Ontario are implementing the Harmonized Sales Tax (HST) on July 1, 2010. The HST (12% BC) and (13% ON) is a combination of Provincial Sales Tax (PST) and the Federal Goods and Services Taxes (GST). In both provinces the PST will no longer be applied after the HST is introduced. The GST will be applied and collected as part of the HST.

This change will affect all of our customers with services in Ontario and British Columbia and will be applied to the July 1 invoices.

### **Calculation of Taxes before and after July 1, 2010**

Due to the timing of the delivery of the services and the timing of our invoice, customers may see GST and HST charges during the transition. GST will be calculated on goods/services delivered before July 1, 2010 and HST will be applied to goods/services delivered after July 1, 2010.

### **GST/HST Taxes**

There is no real major change with the new HST system that is effective July 1, 2010. All CALA services which are currently subject to GST will be subject to HST.

### **Frequently Asked Question on Transition Rules:**

- 1. I purchase a membership in June 2010 and it expires on December 31, 2010? Does the HST apply to my membership?**

The HST does not apply to the membership fees relating to the portion of the membership before July 2010. However, the HST applies to the membership fees relating to the portion or the membership period on or after July 1, 2010 including any prepayments made on or after May 1, 2010, and before July 2010, that relate to the portion of the membership period on or after July 1, 2010.

- 2. Does the HST apply to assessment fees I prepaid before July 1, 2010 and after May 1, 2010 if my assessment is due to take place in August 2010?**

The HST applies to the prepayments made in the period May 1 to June 30, 2010 as the service is performed on or after July 1, 2010.

- 3. I paid for June PT samples before June 30 2010 and I added/removed sample groups for this study during the month of June. CALA issues a post-shipment invoice for the difference, either an additional charge or credit, in August 2010. I pay for or am reimbursed for this amount after receiving this invoice. Does the HST apply to this invoice?**

Since all of the PT samples were added and/or cancelled before July 1, 2010, the HST does not apply to the payment or refund for this post-shipment invoice. However, as the June PT round closes on July 23, 2010, should you purchase more samples after July 1<sup>st</sup>, these will be subject to HST.

For more information please visit the CRA website at:

<http://www.ontario.coop/upload/HST%20Notice%20247.pdf>