

GST/HST Methods

Long or Regular Method

- 1) You collect GST/HST → Send it to Ottawa
 2) You spend GST/HST ← Get it back from Ottawa

For Example

Total Income	\$30,000	
Total GST/HST Collected	= 30,000 x .13 =	\$3,900
Total GST/HST Spent	GST/HST paid on expenses	(\$1,300)
YOU PAY THE NET		\$2,600

Quick Method

- 1) You collect 13% GST/HST
 2) You send 8.8% to Ottawa minus 2 things

For Example

Total Income	\$30,000	\$30,000
Total GST/HST Collected	= 30,000 x .13 =	\$3,900
Entire Amount (GST/HST Collected and Income)		<u>\$33,900</u>
Take 8.8% of entire amount	= 33,900 x .088 =	\$2,983
Less 1% of income up to 30K		(\$300)
Less GST/HST paid on new assets (eg. computer)		(\$195)
YOU PAY THE NET		<u>\$2,488</u>

HISTORICAL PERCENTAGES

	Long/Regular Method	Quick Method
1991 - June 30, 2006	7%	5%
June 30, 2006 - Dec 31, 2007	6%	4.3%
Jan 2008 - June 30, 2010	5%	3.6%
June 30, 2010 - present	13%	8.8%

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