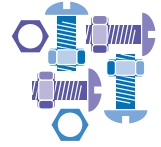


## HST\* - THE NUTS & BOLTS

\* NOTE: Wherever you see HST we mean HST/GST



### For all HST registrants, both Quick & Long methods

- ▲ List all HST taxable revenues
- ▲ List all Non-HST taxable revenues
- ▲ List all HST that you charged
- ▲ Bring copies of all the HST returns that you filed (Quarterly filers only!)
- ▲ Bring a list of payments to and refunds from HST (not including the personal rebate cheques)
- ▲ *For 2006 and 2010 tax returns only:* Divide your revenues between the first and second half of the year

### For Quick Method Registrants

- ▲ List your new assets with the HST noted and factored out
- ▲ *For 2006 and 2010 tax returns only:* Divide your new assets between the assets purchased in the first half of the year and those purchased in the second half of the year.

### For Long Method Registrants (Do this and save yourself \$50!!)

- ▲ In addition to your revenues, total your expenses for each category excluding HST (factor it out!)
- ▲ And total your HST for each category of expenses
- ▲ And bring to your appointment all three lists of totals:
  - 1 Grand Total for each category
  - 2 HST Total for each category  
**Note:** It is this total that we need for the preparation of your HST return
  - 3 Net Total (expenses without HST) for each category  
**Note:** It is this Net Total that we need for the preparation of your tax return
- ▲ *For 2006 and 2010 tax returns only:* If you are using Artbooks to pull out your HST, separate everything (revenues, expenses, assets purchased) from January 1st to June 30th and add it up. Do it again for July 1st to December 31st. If you are fairly sure that a particular category of expenses is evenly spread over the year (50% in the first half and 50% in the second), then you can simply add that category up for the year and apply an average 9% to factor it out.

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**ARTBOOKS • A DIVISION OF LOOSE CHANGE INC.**

720 Spadina Avenue, Suite 513 • Toronto, ON, M5S 2T9

Tel: 416-466-4435 • Fax: 416-466-3818 • [artbooks@loosechange.ca](mailto:artbooks@loosechange.ca) • [www.loosechange.ca/artbooks.html](http://www.loosechange.ca/artbooks.html)

## HST\* - THE NUTS & BOLTS *Continued*

If you are trying to deal with the GST from an earlier period, it's not as consistent. Here are some useful formulas you can use to help you pull the GST out of a bill when the actual amount of GST is not stated. The formula depends on how much provincial tax is levied.

For example:

	GST @ 5%	<i>or</i>	GST @ 6%	<i>or</i>	GST @ 7%
Cab	Total x 5 ÷ 105	<i>or</i>	Total x 6 ÷ 106	<i>or</i>	Total x 7 ÷ 107
Copying	Total x 5 ÷ 113	<i>or</i>	Total x 6 ÷ 114	<i>or</i>	Total x 7 ÷ 115
Bar Tab	Total x 5 ÷ 113	<i>or</i>	Total x 6 ÷ 116	<i>or</i>	Total x 7 ÷ 117

Now that HST has come to Ontario, the formula to pull it out of a total is consistent across most expenses:

$$\text{Total Amount} \times 13 \div 113. = \text{HST}$$

What an expensive tax the HST is! I guess the saving grace is that now the math is easier.

### HST place of supply rules

When an artist who is registered for either HST or GST offers services entirely in one province, the tax rate for that province applies. Therefore a registered artist working in an HST province must be paid the HST regardless of the location of the principle residence of the artist.

#### Examples

A writer in Manitoba is hired to teach a course at U of T. The writer is a GST registrant and collects GST on contracts originating in Manitoba and for services provided in Manitoba (and other GST only provinces). The writer travels to Toronto, where he/she resides for two months while teaching the course. The writer would charge the University of Toronto HST and remit along with any GST collected when filing a GST remittance.

A Toronto based actor, registered to collect HST, spends two months working and performing in a play at the Citadel Theatre in Edmonton. Therefore at least 90% of the work on this contract is performed in Alberta. Alberta does not charge HST, therefore the actor collects GST and remits it along with HST charged for services provided in Ontario and other participating provinces.

### HST/GST Rates as of July 1, 2010

PROVINCE/TERRITORY	HST/GST
Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Saskatchewan and the Yukon	<b>No Change:</b> GST only, tax remains at 5%
British Columbia	<b>New:</b> HST will be 12%
New Brunswick, Newfoundland and Labrador	<b>No Change:</b> HST is 13% (8% PST + 5% GST)
Nova Scotia	<b>New Rate:</b> HST will be 15% (10% PST + 5% GST)
Ontario	<b>New:</b> HST will be 13% (8% PST + 5% GST)
Quebec	<b>No Change:</b> QST is 7.5% and GST is 5%. It should be noted that QST applies on the GST included price.

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