

GST – MISCELLANEOUS

(a) Quick Method

- Annualized GST-included taxable sales (excluding goodwill and capital assets) must be \$200,000 or less in the previous fiscal year. Not available to legal, accounting, and financial services businesses. Special rates apply to charities and non-profit organizations.
- Remittance percentage (applied to **GST-included** revenues)
 - 2½% – wholesalers, retailers and manufacturers
 - 5% – other businesses
- First \$30,000 of GST-included revenues per annum is eligible for 1% reduction in remittance percentage

(b) GST Returns - Filing Frequencies

<u>Annualized Taxable Sales</u>	<u>Frequency</u>
\$500,000 or less	Annually*, with quarterly instalments**
\$500,000 to \$6 million	Quarterly*
Over \$6 million	Monthly

* Can elect to file more frequently

** Instalments not required if current or prior year's net tax (ie. net of input tax credits) is less than \$1,500.

(c) Simplified Method of Calculating Input Tax Credits/Rebates

- $\frac{7}{107}$ ths x total amount of GST-taxable purchases (*including GST, provincial sales tax and gratuities*)
- applicable to small businesses that have taxable supplies (including supplies of associated entities, but excluding sales of capital property) in Canada of \$500,000 or less in the preceding fiscal period and less than \$2,000,000 in purchases in the current year.
- also applicable to charities and registrant public service bodies with taxable supplies under \$500,000 and purchases under \$2,000,000 to calculate their input tax credits and rebates.
- non-registrant charities and public service bodies can use the simplified method to determine rebates if total taxable (other than zero-rated) purchases are less than \$2 million (in the current or previous fiscal period).

(d) Small Suppliers

- a business does not have to register for GST if taxable supplies are <\$30,000 ("small supplier") in the previous 4 quarters. For this determination, taxable supplies of associated suppliers are aggregated.
- a "small supplier" must register for GST purposes and begin collecting GST on its taxable supplies on the first day of the 2nd month following the quarter in which its cumulative taxable supplies for preceding 4 quarters >\$30,000.
- any business must immediately register for GST if it has >\$30,000 taxable supplies in a quarter.