



Finance and Administration

Return to GST / PST

April 1, 2013



Rebates

- Rebates under HST - 75% Provincial Tax (7%); 67% Federal Tax (5%)
- Rebates after April 1st – 67% Federal Tax (5%); no rebate of Provincial Tax
- Effective April 1st 5% GST on everything, 7% on most things with some exceptions

Calculating Expenses Under HST

Rebates:

HST Federal 5% 3.35% (67% rebate)

HST Provincial 7% 5.25% (75% rebate)

Rebate of Taxes Paid 8.60%

Cost:

HST Federal 5% 1.65% (33% expense)

HST Provincial 7% 1.75% (25% expense)

3.40%

Total invoice paid \$112 (\$100 + \$12 HST) would be recorded as an expense of \$103.40

Calculating Expenses GST, PST Exempt

Rebates:

GST 5%	3.35%	(67% rebate)
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Cost:

GST 5%	1.65%	(33% expense)
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PST Exempt	<u>0.00%</u>	
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1.65%

Total invoice paid \$105 (\$100 + \$5 GST) would be recorded as an expense of \$101.65

Calculating Expenses GST, PST

Rebates:

GST 5% 3.35% (67% rebate)

PST 7% 0.00% (no rebate)

3.35%

Cost:

GST 5% 1.65% (33% expense)

PST 7% 7.00% (full tax)

8.65%

Total invoice paid \$112 (\$100 + \$5 GST + \$7PST)
would be recorded as an expense of \$108.65

Examples of purchases exempt from PST:

- Items purchased for resale
- Consulting fees excluding legal fees
- Consumable items used in the delivery of educational programs
- Photocopy and printed materials purchased by or on behalf of students
- Conference registration
- Newspapers and magazines
- Services, repairs and maintenance to real property
- Supply and install contracts for real property
- Medical and health related equipment and supplies
- Safety equipment and protective clothing

What does the change look like?

Account Code	Account Title (fwvopaln)	Budgeted Invoices before Taxes	Application of HST	Cost to BCIT during HST Application	GST & PST Application after April 1, 2013	Cost to BCIT after April 1, 2013
6102	Shop Materials	100,000.00	12 % HST	103,400.00	5 % GST, No PST	101,650.00
7350	Plant-Building Repairs/Maintenance	100,000.00	12 % HST	103,400.00	5 % GST, No PST	101,650.00
7380	Janitorial Services	100,000.00	12 % HST	103,400.00	5 % GST, No PST	101,650.00
8105	Consultant Fees	100,000.00	12 % HST	103,400.00	5 % GST, No PST	101,650.00
6105	Office Stationery	100,000.00	12 % HST	103,400.00	5 % GST + 7% PST	108,650.00
6165	Computer Software Purchases	100,000.00	12 % HST	103,400.00	5 % GST + 7% PST	108,650.00
7315	Computer Equip Repairs/Maintenance	100,000.00	12 % HST	103,400.00	5 % GST + 7% PST	108,650.00
9745	Non-Capital - Equipment < \$1,000	100,000.00	12 % HST	103,400.00	5 % GST + 7% PST	108,650.00

Scenario 1 – Budget Favourable

Account Code (fwvopaln)	Account Title (fwvopaln)	Budgeted Invoices before Taxes	Application of HST	Budgeted Cost to BCIT during HST Application	GST & PST Application after April 1, 2013	Cost to BCIT after April 1, 2013
6102	Shop Materials	100,000.00	12 % HST	103,400.00	5 % GST, No PST	101,650.00
9745	Non-Capital - Equipment < \$1,000	10,000.00	12 % HST	10,340.00	5 % GST + 7% PST	10,865.00
		<u>110,000.00</u>		<u>113,740.00</u>		<u>112,515.00</u>

Scenario 2 – Budget Neutral

Account Code (fwwopaln)	Account Title (fwwopaln)	Budgeted Invoices before Taxes	Application of HST	Budgeted Cost to BCIT during HST Application	GST & PST Application after April 1, 2013	Cost to BCIT after April 1, 2013
6102	Shop Materials	82,500.00	12 % HST	85,305.00	5 % GST, No PST	83,861.25
9745	Non-Capital - Equipment < \$1,000	27,500.00	12 % HST	28,435.00	5 % GST + 7% PST	29,878.75
		<u>110,000.00</u>		<u>113,740.00</u>		<u>113,740.00</u>

Scenario 3 – Budget Unfavourable

Account Code (fwvopaln)	Account Title (fwvopaln)	Budgeted Invoices before Taxes	Application of HST	Budgeted Cost to BCIT during HST Application	GST & PST Application after April 1, 2013	Cost to BCIT after April 1, 2013
6102	Shop Materials	10,000.00	12 % HST	10,340.00	5 % GST, No PST	10,165.00
9745	Non-Capital - Equipment < \$1,000	100,000.00	12 % HST	103,400.00	5 % GST + 7% PST	108,650.00
		<u>110,000.00</u>		<u>113,740.00</u>		<u>118,815.00</u>

Transition Rules

- If tax is payable (invoiced) before April 1st, HST applies; after March 31st, GST / PST applies
- Importing goods, dependent on when goods LAND, not when purchased or paid

More Information

- [http://www.hstinbc.ca/media/2013 GST PST List WEB.pdf](http://www.hstinbc.ca/media/2013_GST_PST_List_WEB.pdf)

Questions????