



Canada Revenue  
Agency

Agence du revenu  
du Canada

# General Application for GST/HST Rebates

Includes forms GST189, GST288 and GST507

Visually impaired persons can get our publications in braille, large print, or etext (computer diskette), or on audio cassette by visiting our Web site at **[www.cra.gc.ca/alternate](http://www.cra.gc.ca/alternate)** or by calling **1-800-959-2221** weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).

This guide uses plain language to explain the most common tax situations. If you need more help after you read this guide, call our Business Enquiries line at **1-800-959-5525**.

La version française de cette publication est intitulée *Demande générale de remboursement de la TPS/TVH*.

## Before you start

### Is this guide for you?

This guide contains information and instructions to help you complete Form GST189, *General Application for Rebate of GST/HST*. It describes the circumstances in which you can apply for a number of rebates and the eligibility requirements for each. Keep this guide to help you complete future rebate applications. See page 6 for information on when you may be eligible to file a general application for a GST/HST rebate.

This guide is **not** for you if:

- you are a diplomat or a foreign representative claiming a rebate for GST/HST you paid on your purchases. Instead, use Form GST498, *GST/HST Rebate Application for Foreign Representatives, Diplomatic Missions, Consular Posts, International Organizations, or Visiting Forces Units*;
- you are a non-resident individual claiming a rebate of GST/HST paid on short-term accommodation or on goods you exported. See our pamphlet RC4031, *Tax Refund for Visitors to Canada* for more information;
- you are a non-resident business claiming a rebate of GST/HST paid on short-term accommodation when a non-resident representative of the business came to Canada on behalf of the business. See our pamphlet RC4117, *Tax Refund for Business Travel to Canada* for more information;
- you are an employee or a member of a partnership claiming a rebate for GST/HST you paid on certain employment or partnership-related expenses. See our guide T4044, *Employment Expenses* (for employees) or RC4091, *GST/HST Rebate for Partners* for more information;
- you are claiming a public service body rebate for GST/HST paid on goods and services for use in your organization's activities. See our guide RC4034, *GST/HST Public Service Bodies' Rebate* for more information;
- you are claiming a rebate of GST/HST you paid on a specially-equipped motor vehicle, or on modifications performed on the vehicle outside Canada. Instead, use Form GST518, *GST/HST Specially Equipped Motor Vehicle Rebate Application*;
- you are a trust governed by a multi-employer pension plan claiming a rebate for GST/HST you paid on property or services in relation to the plan. Instead, use Form GST521, *GST/HST Multi-Employer Pension Plan Trust Rebate Application*; or
- you are an entity to which a self-government agreement applies and that agreement provides for a refund of GST for goods and services acquired for self-government activities. See our guide RC4034, *GST/HST Public Service Bodies' Rebate* for more information.

### What's new

Effective July 1, 2006, under proposed legislation, the GST rate will be reduced from 7% to 6%, and the HST rate from 15% to 14%. This guide contains this proposed change to law which was current at the time of publication.

### How to contact us

If you need help to determine if you meet the eligibility requirements for a rebate (such as conditions or deadlines), or to complete your rebate application, call us at **1-800-959-5525**. If you have any questions about the status or processing of your rebate claim, call us at **1-800-565-9353**. For non-residents, see Appendix B on page 22 for the list of tax services offices and their telephone numbers.

### Internet

Visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca). You may want to bookmark this address for easier access to our Web site in the future.

### Forms and publications

Throughout this guide, we mention other forms and publications. You will find copies of some of these forms in the middle of this guide, and on our Web site. You can order forms and publications at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) or by calling us at **1-800-959-2221**.

### GST/HST and Quebec

In Quebec, Revenu Québec administers the GST/HST. If you have business operations in Quebec, contact Revenu Québec toll free at **1-800-567-4692**.

### Problem Resolution Program

Our Enquiries staff is committed to resolving your tax-related problems by giving you accurate, timely, courteous, fair, and confidential answers to your questions. However, if a problem cannot be resolved, you can contact the Problem Resolution Program of your tax services office.

Our goal under this program is to resolve the problem within 15 working days. If we cannot do so (such as if your situation is complex), a representative will contact you to confirm that we are working on the problem, to discuss it further (if necessary), and to let you know when we expect to resolve it.

### Teletypewriter users

If you have a hearing or speech impairment and use a teletypewriter, you can call our bilingual enquiry service at **1-800-665-0354** during regular office hours, which are from 8:15 a.m. to 5:00 p.m.

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## Terms we use in this guide

**Capital personal property** includes depreciable property that is eligible or would be eligible for a capital cost allowance for income tax purposes. It also includes any personal property, except depreciable property, the sale of which would give rise to a capital gain or loss for income tax purposes. For GST/HST purposes, capital personal property does not include property in Classes 12, 14, or 44 of Schedule II to the *Income Tax Regulations*.

**Consumer** refers to a particular individual who acquires or imports property or a service for his or her personal consumption, use, or enjoyment, or for the personal consumption, use, or enjoyment of another individual at the particular individual's expense. The particular individual does not use the property or service in commercial activity or to make an exempt supply.

**Designated municipal property** refers to property of a person who is at any time designated to be a municipality for purposes of claiming the Public Service Bodies' Rebate. Generally, it is property, or an improvement to it, that the person intended, at the time of purchase, to consume, use or supply exclusively in activities specified in its designation. The person did not intend, at the time of purchase, to consume, use or supply the property more than 10% in any other activity. Once property qualifies as designated municipal property, it is always treated as such. This definition came into force on February 1, 2004.

**Designated municipality** refers to a person that is designated to be a municipality for purposes of claiming the Public Service Bodies' Rebate.

**Import** means import into Canada.

**Improvement** to property that is capital property is generally any property or service acquired or imported by a person to improve the capital property when the amount paid or payable for that property or service is included in the adjusted cost base of the capital property for income tax purposes.

**Input tax credit** means a credit GST/HST registrants can claim to recover the GST/HST they paid or owe for goods or services they acquired, imported, or brought into a participating province to use, consume, or supply in the course of their commercial activities.

**Intangible personal property** is generally a "right" rather than a physical object. It includes such things as contractual rights, options, intellectual property, rights in relation to goods that are not in possession, and other rights that are enforceable by the courts.

**Legal aid plan** means a legal aid plan that is administered under the authority of a provincial government.

**Listed financial institution** includes a bank, a credit union, a segregated fund of an insurer, and an investment plan, among others.

**Municipality** means an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality, or other incorporated municipal body however designated, and any other local authority that the Minister of National Revenue may determine to be a municipality.

**Non-resident** means not resident in Canada.

**Participating province** means the province of Nova Scotia, New Brunswick, or Newfoundland and Labrador.

### Note

The HST rate in participating provinces is **14%** on, or after July 1, 2006. Before July 2006, the rate was 15%. The GST rate in the rest of Canada is **6%** on, or after July 1, 2006. Before July 1, 2006, the rate was 7%.

**Person** means an individual, a partnership, a corporation, the estate of a deceased individual, a trust, or any organization such as a society, a union, a club, an association, or a commission.

**Primarily** generally means more than 50%.

**Public sector body** means a government or a public service body.

**Public service body** means a non-profit organization, a charity, a municipality, a school authority, a hospital authority, a public college, or a university.

**Recipient** of property or a service generally means the person who is liable to pay for the supply of that property or service. When no amount is due, it means the person to whom the property is delivered or made available, or to whom the service is rendered.

**Registrant** means a person that is registered, or that should be registered, for GST/HST purposes. Registrants usually collect and remit GST/HST on their taxable supplies and have to file GST/HST returns regularly.

**Selected listed financial institution** is generally an institution that is a listed financial institution (see above) that is required to allocate taxable income for income tax purposes between at least one participating province and at least one non-participating province.

**Taxable supplies** refers to goods and services that are provided in the course of a commercial activity and are subject to GST/HST at the rate of 6% or 14% respectively (before July 2006, the rates were 7% GST and 15% HST), or at the rate of 0%.

**Zero-rated supplies** refers to a limited number of goods and services that are taxable at the rate of 0%. This means that there is no GST/HST to pay on the sale of these goods and services. However, GST/HST-registrant suppliers can still claim an input tax credit for the GST/HST they pay or owe on purchases and expenses they make to provide the zero-rated supplies.

# General application for rebate of GST/HST

## Are you eligible to file a general rebate application?

You may qualify to file a general rebate application if one of the following situations applies to you:

- You paid or remitted an amount as or on account of GST/HST, net tax, penalty, or interest, in error.
- You are a non-resident who exported goods for commercial use outside Canada, and you paid GST/HST on these goods. In some cases, a non-resident who purchases used and empty returnable containers (or their compacted material) for more than the refundable deposits for the containers may qualify for this rebate. In addition, a non-resident may be eligible for a rebate when the person purchases a beverage in a returnable container and is charged a non-refundable container deposit. These changes are described in more detail in our bulletin B-089, *Returnable Containers*.
- You are a non-resident (other than a consumer), you are not a registrant, and you paid tax on goods or services you acquired to use or consume in producing certain artistic works for export.
- You are the administrator of a provincial legal aid plan, and you paid GST/HST on legal services you bought for legal aid recipients.
- You are not a registrant, you made a taxable sale of real property, and you paid GST/HST when you bought that property or paid for improvements made to it.
- You are a municipality or designated municipality, that is not a registrant for GST/HST purposes, and have made a taxable sale of capital personal property on which you paid GST/HST when you bought the property or paid for improvements made to it. In the case of designated municipalities, the rebate is available only in respect of capital personal property that qualifies as designated municipal property.
- You are an Indian band, tribal council, or band-empowered entity, and you paid amounts as GST/HST on purchases of off-reserve transportation, short-term accommodation, meals and entertainment for band management activities, or for real property on reserve.
- You paid GST/HST on the purchase of land or on improvements you made to it, and you later leased the land for residential purposes to a lessor or sublessor who had to self-assess and remit GST/HST on a value that includes the land.
- You are a non-resident, not registered for the GST/HST, you sold goods on an installed basis to a person who is registered for the GST/HST, and you paid tax on the service of installing the goods in real property located in Canada.
- You are a non-resident, not registered for GST/HST, you paid tax on the service of installing goods in real

property located in Canada that another non-resident, who is not registered for GST/HST, sold to a person who is registered for GST/HST.

- You are a resident of a participating province and you paid HST on goods that you imported into a non-participating province to be consumed or used in a non-participating province.
- You are a resident of Canada and you paid HST on intangible personal property or services to be consumed, used, or supplied outside the participating provinces.
- You are an investment plan or an insurer's segregated fund, resident in a participating province, and you are not a selected listed financial institution. You hold or invest funds for the benefit of persons who are resident outside the participating provinces and you paid HST on purchases of management and administrative services.
- You bought a printed book in or from one of the participating provinces and you paid HST or have self-assessed the provincial part of the HST.

## Claim limitations

You cannot claim a rebate of an amount of GST/HST if any of the following apply:

- The amount was previously rebated, credited, refunded, or remitted to you.
- You received a credit note, or you issued a debit note for a refund, adjustment or credit that includes the amount.
- You claimed or are entitled to claim an input tax credit for the amount.
- You are entitled to otherwise obtain a rebate, refund, or remission of the amount.
- In the case of a bankruptcy, you will not be paid a rebate that you were entitled to claim before the appointment of a trustee in bankruptcy, unless you have filed all returns and remitted all outstanding amounts for reporting periods that ended before the appointment.
- The deadline for filing the rebate has passed. More information on filing deadlines is provided later in this guide.

Certain other limitations may also apply depending on the specific type of rebate claimed. These limitations are also explained later on in this guide.

## Filing the rebate application

You will find copies of Form GST189, *General Application for Rebate of GST/HST*, and Form GST288, *Supplement to Form GST189 and Form GST498*, in the middle of this guide. You may wish to use the second copies of the forms as working copies to complete an initial draft of your calculations. If you do this, keep the working copies for your files.

You have to complete Parts A, B, C, and F of the rebate application form and, in some cases, Part G. See "Part B – Reason for rebate request", on page 7 to determine the appropriate reason code for your rebate application. See "Part C – Calculating your rebate", on page 18 for instructions on how to calculate your rebate.

Complete Part D, “Third party address” of the rebate application form **only** if the claimant is sending, or has already sent, Form GST507, *Third Party Authorization and Cancellation of Authorization for GST/HST Rebates*. A copy of Form GST507 is in the middle of the guide. See “Part D – Third party address”, on page 18 for more details.

Mail your completed rebate application to:

Summerside Tax Centre  
275 Pope Road  
Summerside PE C1N 6A2

**Do not send** your rebate application to us if you are claiming a rebate under reason code 10 or 14. Instead, you have to give your application to the GST/HST-registered supplier who paid or credited you with your rebate. The supplier has to complete Part E, “Registered supplier identification OR insurer election” of the application and send us your rebate application with his or her GST/HST return.

See the instructions for the particular reason code under which you are filing for information on whether you have to complete Part G. For details on how to complete Part G, see page 19. You will need to use Form GST288 if there is not enough room in Part G to enter all the information required.

## What records to include with your rebate application and what to keep

If you file a rebate application under reason code 1, 4, 8, 11, 12, 13, or 16, you have to send us the **original** proof of purchase. We will return all receipts to you after we process your application. If you plan to file a rebate application in any other jurisdiction that requires original receipts, you should consider filing your general application for a GST/HST rebate first. We will not accept photocopies of receipts or credit card slips as proof of purchase.

In the case of a reason code 8 rebate, an Indian band, tribal council, or band-empowered entity may apply to their local tax services office, Verification and Enforcement Division, (Audit) to request a letter waiving the need to submit original receipts. For more information on this option, refer to the section dealing with reason code 8 on page 13 of this guide.

If you file a rebate application under reason code 5, 9, 10, 14, or 15, you do not have to send us original receipts or other documents. For reason code 7, there are specific instructions for each property type: real property and capital personal property. If you are applying for a rebate under reason code 9, you have to provide certain details of your transaction. See the sections of the guide that discuss these reason codes for information on the details you have to provide.

You have to keep adequate books and records, including original invoices, for six years from the end of the year to which they relate. We may ask to see them later.

# Completing the rebate application

## Part A – Identification

### Claimant’s name, address, and business number (BN)

If you are applying for a rebate as an individual, enter your name and mailing address. If you are applying for a rebate for a business or other organization, show whether the business or organization is registered for GST/HST purposes (i.e., it has to file GST/HST returns) by putting a check mark in the appropriate box. Also, enter the business’ 9- or 15-digit BN, the full legal name (include the trading or operating name, if applicable), the mailing address, and the business address if it is different from the mailing address.

### Head office, branch, or division

Identify whether you are a head office or a branch or division. If you are a registrant and are already authorized to file separate GST/HST returns for branches or divisions of your organization, you may also file separate rebate applications under reason code 1 for each branch or division. If you are not authorized to file separate GST/HST returns for your branches or divisions, you can still apply to have those branches or divisions file separate rebate applications under reason code 1. If you do so, we will assign each approved branch or division a separate GST/HST account number to use on all rebate applications and correspondence. If you do not wish to file separate rebate applications for your branches or divisions, you have to combine rebates for all branches or divisions on your head office application. We consider an organization with no branches or divisions to be the head office.

### Period covered

The period the rebate application covers is usually the period covered by the dates shown on the invoices you record on the back of the application and on any attached supplements. However, this period must fall within the filing deadlines outlined for each reason code in the next section.

## Part B – Reason for rebate request

When you file the general rebate application, you have to give your reason for applying by putting a check mark in the applicable reason code box in Part B of the application form.

We explain each reason code and the rules that apply on pages 8 to 18.

You can only use one reason code per rebate application. If you are entitled to claim different amounts of GST/HST under different reason codes, use a separate rebate application for each reason code.

After you choose the reason code that applies to your situation and read the filing instructions, see “Part C – Calculating your rebate”, on page 18 to find out how to calculate the amount of your rebate.

## Reason code 1 – Amounts paid in error

### Eligible amounts

You can apply for a rebate of an amount if:

- you paid or remitted it as or on account of GST/HST or net tax that you should **not** have paid or remitted, or it was more than you had to pay or remit; or
- you paid it as penalty, interest, or any other similar obligation that was not payable or remittable.

### Exceptions

**Amounts collected in error** – If you collected an amount as or on account of GST/HST that you should not have collected, you have to include that amount in the calculation of your net tax. You are not entitled to claim a rebate for amounts you collected as GST/HST in error. To correct this error, refund or credit the amount to your customer and issue your customer a credit note for the amount. You can then reduce your net tax owing by the amount you refunded or credited to your customer. Include the amount of the adjustment on line 107 of your GST/HST return in the reporting period in which you issued the credit note.

**Amounts paid in error** – If you believe you paid an amount as GST/HST in error to a supplier, you can request a refund or credit of the amount from the supplier, instead of applying for a rebate under reason code 1. This is often the simplest way for you to recover the amount. If the supplier gives you a refund or credit, you are no longer eligible for a rebate because the amount you paid in error has already been refunded or credited to you. If you cannot get a refund or credit from the supplier (e.g., if the supplier refuses to refund the amount or goes out of business), you can apply for a rebate of that amount under reason code 1.

You are **not** entitled to a rebate for amounts paid or remitted in error if any of the following apply:

- the amount has been taken into account as tax or net tax in an assessment;
- the amount paid was tax, net tax, penalty, interest, or any other amount assessed; or
- the amount is the result of an appraisal or reappraisal of the value of goods, or determination that GST/HST applies to the goods by the Canada Border Services Agency (CBSA).

#### Note

If the CBSA appraises or reappraises the value of goods, the result may be that you paid GST/HST in error, or more than what you actually owed. In this case, you have to apply to CBSA for a refund of the amount.

### Rebate of GST/HST paid for goods imported on consignment, approval, or sale-or-return basis or for damaged or defective imported goods

– If you import goods on a consignment, approval, or sale-or-return basis and export them within 60 days without having used or consumed them in Canada, except on a trial basis, you can apply to the CBSA for a rebate of the GST/HST you paid on these goods when you imported them. Similarly, if goods

you import to consume or use are of inferior quality, damaged, or defective, you may be entitled to a rebate through the CBSA of the GST/HST you paid when you imported them.

### Filing instructions

When you apply for a rebate of amounts you paid or remitted in error, provide the following information with your application:

- the reason the amount is not payable or remittable (enter this information in Part G of the application or on Form GST288 if you used it);
- details on how you calculated your claim; and
- **original** receipts for all purchases that you list.

We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

See “Part C – Calculating your rebate”, on page 18 for information on how to calculate your rebate. If you are applying for a rebate under reason code 1, you can use method (b) or (c) for each invoice to complete Parts C and G of the application form.

On, or after July 1, 2006, if you were incorrectly charged GST at 7% or HST at 15%, you may be entitled to claim an amount equal to the difference between the old rate and the new rate. Use method (c) to claim this amount.

To calculate this amount:

- for GST, take the amount of GST paid and divide by 7; or,
- for HST, take the amount of HST paid and divide by 15.

### Example

On July 2, 2006, you buy a computer for \$2000 in Ontario. You are charged GST at the rate of 7% instead of 6%. You will be entitled to claim the difference between 7% and 6%.

GST paid	=	$\$2000 \times 7\% = \$140$
Divided by 7	=	$\$140 \div 7 = \$20$

Total amount you can claim under reason code 1 is **\$20**.

Under the same circumstances, you buy a computer in New Brunswick and you are charged HST at the rate of 15% instead of 14%. You will be entitled to claim back the difference between 15% and 14%.

HST paid	=	$\$2000 \times 15\% = \$300$
Divided by 15	=	$\$300 \div 15 = \$20$

Total amount you can claim under reason code 1 is **\$20**.

### Filing deadline

You have to file your rebate application within two years after the day you paid or remitted the amount in error.

You can submit only one rebate application per calendar month.



## Reason code 4 – Commercial goods and artistic works exported by a non-resident

### Commercial goods – eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you received goods in Canada and paid GST/HST on them on or before delivery;
- you removed the goods from Canada within 60 days of delivery (you have to either have taken the goods with you when you left Canada or exported them by a common carrier);
- the goods for which you are claiming a rebate are for commercial use primarily outside Canada. You cannot have bought the goods in the course of the commercial activities of any Canadian establishment that you own;
- the **total** of all receipts attached to your application shows that you made taxable purchases (other than zero-rated purchases) of at least **CAN\$200** (excluding HST in a participating province or GST and PST in the rest of Canada); and
- **each receipt** attached to your application shows that you made eligible taxable purchases (other than zero-rated purchases) of at least **CAN\$50** (excluding HST in a participating province or GST and PST in the rest of Canada).

You are not eligible for a GST/HST rebate when you export the following goods:

- alcoholic beverages such as liquor, wine, and beer;
- tobacco products; and
- gasoline, diesel fuel, or other motive fuels **other than** fuel that is being transported in a vehicle designed for bulk transport and that is not for use in the vehicle that is transporting it.

### Artistic works – eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you are not a registrant;
- you paid GST/HST on goods, intangible personal property, (such as a patent or copyright), or services (other than services of storing or shipping property) that you acquired to use or consume only in manufacturing or producing an original literary, musical, artistic, motion picture, or other work that is under copyright protection and any copies of that work;
- you are not a consumer of the goods, intangible property, or services;
- you are manufacturing or producing the work and all copies of it for export; and
- the **total** of all receipts attached to your application shows that you made taxable purchases (other than zero-rated purchases) of at least **CAN\$200** (excluding HST in a participating province or GST and PST in the rest of Canada).

### Note

For purposes of the rebate for exported artistic works, instead of paying the GST/HST when you make your purchase and filing the rebate application to get the tax back, you can assign your rights to your GST/HST rebate to the GST/HST-registered supplier. By doing this, the supplier pays or credits your rebate to you at the time of your purchase so that you can make your purchase without paying the GST/HST. See our guide RC4027, *Doing Business in Canada – GST/HST Information for Non-Residents*, for more information and an example of an agreement to assign rights to the GST/HST rebate.

If you do not assign your rebate to the registered supplier, you have to pay the GST/HST due on your purchase and apply to us for your rebate.

### Filing instructions

See “Part C – Calculating your rebate”, on page 18 for details on how to calculate your rebate. If you are applying for a rebate under reason code 4, you have to use method (b) for each invoice to complete Parts C and G of the application form.

Make sure to include **original** receipts for all purchases that you record, unless you assign your rebate to the supplier. We will return your original receipts after we process your application.

We do not accept credit card slips or photocopies of receipts as proof of purchase.

If you are filing a rebate application for GST/HST you paid on commercial goods that you exported, other than artistic works that you manufactured or produced, enter the date you exported the goods in Part G of the rebate application and include proof that the goods were removed from Canada within 60 days of their delivery to you (e.g., *U.S. Entry Summary*, Form 7501).

### Filing deadlines

If you are applying for a rebate of GST/HST you paid on commercial goods that you exported, other than artistic works that you manufactured or produced, you have one year from the date you exported the goods to file your rebate application.

If you are applying for a rebate of GST/HST you paid on goods, intangible personal property, or services that you acquired to consume or use in manufacturing or producing an eligible artistic work for export, you have one year from the date that the tax became payable on your acquisition to file the rebate application. If the registered supplier of the property or service paid or credited the rebate to you, do not send us the application. The supplier has to send us your rebate application with his or her GST/HST return.

### Note

The supplier can claim a deduction for the amount of tax paid or credited to you. To do this, the supplier claims the deduction on his or her GST/HST return for the reporting period that includes the later of the following:

- the last day the tax would have become payable by you on your purchase; or
- the day the amount was paid or credited to you.

Alternatively, the supplier can claim the deduction within one year of the later of these two days.

## Reason code 5 – Legal aid plan

### Eligibility

You are eligible for a rebate if:

- you are the person responsible for administering a legal aid plan; and
- you paid GST/HST on legal services you bought for legal aid recipients.

### Example

A lawyer provides services to a person administering a legal aid plan and she incurs some expenses in her personal capacity (e.g., for long distance calls or photocopying court decisions), and other expenses in her capacity as agent for the plan administrator (e.g., requesting a medical report).

The expense for the medical report would be charged to and be reimbursed by the plan administrator as the lawyer was acting as the agent of the administrator. These types of expenses incurred as an agent are not eligible for a rebate under reason code 5.

Only those expenses incurred by the lawyer in her personal capacity will be treated as the supply of legal services and be eligible for a rebate under reason code 5.

### Filing instructions

See “Part C – Calculating your rebate”, on page 18 for details on how to calculate your rebate. If you are applying for a rebate under reason code 5, you have to use method (b) for each invoice to complete Parts C and G of the application form.

You do not have to include receipts or invoices with your application. However, you have to keep these documents in case we ask to see them later.

### Filing deadline

You have four years from the end of the reporting period in which the tax became payable to file your rebate form.

## Reason code 7 – Taxable sale by a non-registrant, of either real property or capital personal property of a municipality or designated municipality

### Real property – Eligibility

You are eligible to claim this rebate if:

- you are not a registrant;
- you paid or were deemed to have paid GST/HST on real property such as land, a building, or an interest in real property when you last acquired the property or made improvements to the property; and
- you sold or were deemed to have sold the property under taxable conditions, and GST/HST became payable in one of the following circumstances:
  - you sold the property to another person and you are responsible for remitting the GST/HST payable;

- you sold the property to another person and that person is responsible for remitting the GST/HST payable; or
- you were deemed to have sold the property to yourself and to have paid GST/HST on the sale because of certain circumstances such as the self-supply of a new residential building, a change in use of the property from taxable to exempt or from exempt to taxable, or the appropriation of real property for personal use.

The amount of your rebate is equal to the **lesser** of:

- the basic tax content of the real property at the time of the sale; and
- the GST/HST payable on your sale of the property, or deemed sale, or the GST/HST that would have been payable on the sale of the property if the property was not part of a supply of a business.

As you are not a registrant, you will generally calculate the basic tax content of your property by totalling the amount of GST/HST that you paid to acquire the property and to make any improvements to it, and then deducting any amounts that you were entitled to recover by rebate or remission. You will take depreciation in the value of the property into account by multiplying the difference calculated above by a depreciation factor.

The **basic tax content** formula is as follows:

$$(A - B) \times C$$

- A is the GST/HST you paid on the last acquisition or importation of the property and on any improvements made to it;
- B is the amount of any GST/HST you were entitled to recover by rebate, refund, remission or otherwise; and
- C is the lesser of:
  - 1; and
  - the fair market value of the property at the time you sold the property, **divided** by the amount you paid (before tax) to buy the property and make improvements to it.

### Note

After January 30, 2004, if you are a municipality or a designated municipality (that is not a listed financial institution), the amounts for “A” and “B” in the basic tax content formula **do not** include GST and the federal part of HST paid or payable **before** February 2004.

If you are a public sector body not dealing at arm’s length with another person and the tax becomes payable on or after July 1, 2006, or would have become payable if the property was not part of a business, the amount of your rebate is equal to the lesser of:

- the basic tax content of the real property at the time of the sale; and
- the amount determined by the following formula:

$$(A / B) \times C$$

- A is the basic tax content of the real property at the time of the sale;

- B** is the amount that would be the basic tax content of the property at the time of the sale, if it were determined without any reference to any GST/HST you were exempt from paying under any other law or entitled to recover by rebate, refund, remission or otherwise; and
- C** is the GST/HST payable on your sale of the property, or deemed sale, or the GST/HST that would have been payable on the sale of the property if the property was part of a supply of a business.

### Filing instructions

Determine whether your rebate is equal to the basic tax content of the real property or to the GST/HST payable by the recipient on your sale of the property or deemed sale (i.e., the amount that is less). On, or after July 1, 2006, follow the new calculation if you are a public sector body that is not dealing at arm's length with another person.

Enter the amount of your rebate in Part C of the application beside "(c) Other" under "Amounts claimed."

Be sure to attach the following information to your rebate application:

- the amount for which you sold the property;
- the date the purchase amount for the property became due or was paid to you, if it was paid before the due date;
- the date the GST/HST is deemed to have been paid (i.e., if the rebate is available as a result of a deemed taxable sale);
- the address of the property;
- the name and address of the purchaser, if applicable. Include the purchaser's full legal name, or trading name if this is different. Indicate whether or not the purchaser is a registrant and whether you are a non-resident; and
- the expiry date of the redemption period, in the case of a property seizure. See the section "Restriction on claiming a rebate in the case of a seizure of real property or capital personal property", on page 12.

### Capital personal property – Eligibility

The sale (other than an exempt sale) of capital personal property by a municipality is a taxable sale for GST/HST purposes. This also applies to the sale (other than an exempt sale) of capital personal property that is "designated municipal property" by a designated municipality.

You are eligible to claim this rebate if:

- you are a municipality or designated municipality that is not a GST/HST registrant;
- you sell capital personal property, such as computers, equipment, or office furniture (for designated municipalities, the capital personal property sold must be "designated municipal property");
- you paid or are deemed to have paid GST/HST on the purchase of capital personal property;
- you sold capital personal property under taxable conditions and GST/HST became payable.

The amount of the rebate is equal to the **lesser** of:

- the basic tax content of the capital personal property at the time of the sale; and
- the GST/HST payable on the sale of the capital personal property; or if there has been a tax-free rollover of the property, the GST/HST that would have been payable on the sale of the property.

### Note

The amount payable on the sale must have become due or been paid without having become due after March 9, 2004; the rebate does not apply to any sale made under an agreement in writing entered into before March 10, 2004.

As you are not a registrant, you will generally calculate the basic tax content of your property by totalling the amount of GST/HST that you paid to acquire the property and to make any improvements to it, and then deducting any amounts that you were entitled to recover by rebate, remission, or otherwise. You will take depreciation in the value of the property into account by multiplying the difference (as calculated above) by a depreciation factor.

For municipalities that are not listed financial institutions, the **basic tax content** calculation at any time after January 30, 2004 is as follows:

$$(A - B) \times C$$

- A** is the GST/HST you paid on the last acquisition or importation of the property and on any improvements;
- B** is the amount of any GST/HST you were entitled to recover by rebate (like the one for Public Service Bodies), refund, remission or otherwise; and.
- C** is the lesser of:
  - 1; and
  - the fair market value of the property at the time the property was sold, **divided** by the amount paid (before tax) to buy the property and make improvements to it.

### Note

As this is a new rebate with no retroactivity, the amounts for "A" and "B" **do not** include GST and the federal part of HST paid or payable **before** February 2004.

For property owned by a designated municipality on January 31, 2004, use the new basic tax content calculation only for property for which a municipal rebate is available and that was being used, consumed or supplied more than 10% in the course of activities specified in the designation.

### Example

A municipality in Newfoundland and Labrador is not a GST/HST registrant. It buys office furniture for \$3,000 plus \$420 of HST from Huddle Inc. on July 20, 2006. It sells the furniture on September 9, 2006 for \$1,200, collecting HST of \$168. The furniture was used in providing exempt municipal services. The sale in September is taxable even though the municipality is not a GST/HST registrant.

The rebate available would be the **lesser** of the basic tax content at the time of the sale or the HST payable on the sale.

$$\begin{aligned}\text{Basic tax content} &= (\mathbf{A} - \mathbf{B}) \times \mathbf{C} \\ &= (\$420 - \$180) \times \frac{\$1,200}{\$3,000}\end{aligned}$$

$$\text{Basic tax content} = \$96$$

$$\text{HST payable on the sale (i.e., 14\% of \$1,200)} = \$168$$

$$\text{Rebate} = \$96$$

The figure of \$180 is the amount of the Public Service Bodies' Rebate (now generally 100% for municipalities), of the federal part of HST paid in this case. See our guide RC4034, *GST/HST Public Service Bodies' Rebate* for details on how to apply for this other rebate.

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More information on these and other changes for municipalities can be found in our guide RC4049, *GST/HST Information for Municipalities*.

### Filing instructions

Determine whether your rebate is equal to the basic tax content of the capital personal property or to the GST/HST payable by the recipient on the sale of the capital personal property (i.e., the amount that is less).

Enter the amount of your rebate in Part C of the application beside "(c) Other" under "Amounts claimed."

A municipality does not have to provide any information at the time it makes its rebate claim. However, it has to keep documents to support its claim in case we ask to see them later.

### Filing deadlines for both real property and capital personal property

You have to file your rebate application within two years after the amount for your sale of the property becomes payable or is paid without having become due, or within two years from the day the redemption period expires, if applicable.

### Using your rebate to reduce your remittance of GST/HST

Generally, when you sell taxable real property or capital personal property, and have to collect GST/HST from the purchaser, you have to remit the GST/HST to us. You will need to file Form GST62, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return (Non-Personalized)*, to report the GST/HST you collected. Generally, the amount of your remittance will be the amount you indicate as net tax on line 109 of your GST/HST return.

You do not have to collect GST/HST on a taxable sale of real property if:

- you are a non-resident;

- the purchaser is registered for GST/HST and is not an individual buying a residential complex or cemetery plot; or
- you and the purchaser have made an election type 2 on form GST22, *Real Property-Election to Make Certain Sales Taxable*.

However, if you are entitled to a rebate under reason code 7, you can simply remit the difference between the net tax amount on line 109 of your GST/HST return and the amount of your rebate. To do this, enter the amount of your rebate on line 111 of the GST/HST return. If you do this, the amount you will have to remit is equal to the amount on line 109 **less** the amount on line 111.

You have to file your rebate application and your GST/HST return together if you want to reduce your remittance by the amount of your rebate.

You have to file your GST/HST return within one month after the month in which the transaction occurred. We will assess penalty and interest on any net tax remittance we do not receive by the due date.

### Restriction on claiming a rebate in the case of a seizure of real property or capital personal property

A creditor can seize a person's real property or capital personal property for non-payment of a debt and sell it to a third party to recover the debt. If your property is seized we consider you to have made a sale to the creditor at the time of the seizure. Where such a sale is taxable, you are eligible for a rebate under reason code 7, as long as all the other conditions are met.

However, you may have a legal right under federal or provincial legislation or under an agreement relating to a debt security, to redeem the property within a certain time after the creditor's sale of the property.

In such a case, you cannot apply for the rebate unless the time limit for redeeming the property has expired and you have not redeemed the property. In addition, the payment for your "sale" of the property to the creditor is deemed to have become due on the day the time limit for redeeming the property expired.

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### Example

A city in Saskatchewan, a non-participating province, seized land belonging to Mr. Jones, a non-registrant, and sold it on October 1, 2006, to Mr. Smith for \$20,000 plus GST. The \$20,000 includes the amount necessary for the city to recover Mr. Jones' tax arrears owing to the city.

Mr. Jones can redeem the land up to two years after October 1, 2006. Mr. Jones is eligible for a rebate of the GST on the land's fair market value on October 1, 2006, or of the basic tax content of the property as of October 1, 2006, whichever amount is less. However, he cannot file the rebate application until the redemption period has expired. As long as he has not redeemed the property, Mr. Jones can file his rebate application after October 1, 2008. However, he has to file it within two years after that date.

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## Reason code 8 – Indian band, tribal council, or band-empowered entity

### Eligibility

A reason code 8 rebate is available where GST/HST has been paid on “eligible travel expenses” incurred by a band, tribal council, or band-empowered entity. As well, a reason code 8 rebate is available to a band, tribal council, or band-empowered entity where they reimburse or pay a reasonable allowance to their employees or officials for eligible travel expenses incurred on their behalf.

“Eligible travel expenses” include off-reserve services of transportation, short-term accommodation, meals or entertainment that are acquired for “band management activities or real property on reserve.”

Further, there is no rebate available under reason code 8 where the tax paid was not GST/HST (i.e., tax was imposed by a First Nation – FNT or FNGST)

### Note

Individual Indians are not eligible to apply for a rebate under reason code 8.

Individual Indians who purchase goods or services on a reserve or goods that are delivered to a reserve, who have paid an amount as GST/HST in error to a supplier, may seek a refund or credit of the amount from that supplier. Alternatively, they can apply for a rebate of the amount under reason code 1, “Amounts paid in error” This also applies to Indian bands that buy goods that are delivered to a reserve, or services that are certified to be for band management activities or real property on reserve.

### Filing instructions

See “Part C – Calculating your rebate”, on page 18 for details on how to calculate your rebate. If you are applying for a rebate under reason code 8, you have to use method (b) for each invoice to complete Parts C and G of the form.

Include **original** receipts for all purchases you list on your rebate application. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

An Indian band, tribal council, or band-empowered entity may apply in writing to their local tax services office, Verification and Enforcement Division (Audit), to request a letter waiving the need to submit original receipts. The request should include details of the expected frequency of filing reason code 8 rebate claims and the estimated amount of the annual purchases subject to the rebate. Audit will issue a letter indicating if a waiver has been granted; until such time the Indian band, tribal council or band-empowered entity is required to submit original receipts with its rebate application. The granting of the waiver is on the condition that original receipts are retained on file for audit purposes. In addition, there is still the requirement to complete the details of the rebate application section of the form.

It is also important to note that the waiver only applies to reason code 8, not reason code 1 (amounts paid in error) rebates. Reason code 1 rebate claims still require the

submission of original receipts. A separate application form is required under each reason code.

### Filing deadline

You have to file your rebate application within two years after the day you paid or remitted the amount.

You can submit only one rebate application per calendar month.

## Reason code 9 – Lease of land for residential purposes

### Eligibility

You may be eligible for a rebate of GST/HST you paid or were deemed to have paid on land that you own or lease. This applies when you lease the land to a person who either assigns the lease to a third person or leases the land to a third person, and the person you lease the land to has to self-assess and remit GST/HST on a value that includes the land.

Generally, that person has to self-assess GST/HST if he or she constructs and supplies long-term residential rental accommodation, or resupplies the land to a third person for long-term residential rental use.

Calculate your rebate using the following formula:

$$A - B$$

- A** is the total of all GST/HST that was payable on your purchase or deemed purchase of the land and on improvements that you made to it, or that would have been payable if it were not for a tax-free rollover of the property, **before** the person you are leasing the land to had to self-assess; and
- B** is the total of other rebates and input tax credits which you were entitled to claim in relation to your purchase of the property, or improvements you made to it.

### Filing instructions

Enter the result of your calculation in Part C, “Calculating your rebate” of the application beside “(c) Other” in the “Amounts claimed” column.

Include the following information in your application:

- the full name and address of the person to whom you are leasing the land. If you are leasing the land to a person who constructed residential rental property on the land, be sure to give the full legal name (and trading name, if applicable) and address of the builder;
- whether or not the person you are leasing to is registered for GST/HST purposes;
- the address of the land; and
- the date the person to whom you are leasing the land becomes liable, or is reasonably expected to become liable, to self-assess GST/HST on a value that includes the land.

Do not include receipts or other documents with your rebate application. However, you have to keep these documents in case we ask to see them later.

### Filing deadline

You have to file your rebate application within two years after the day the person to whom you are leasing the land has to self-assess.

For more information about this rebate, see our GST/HST Memoranda Series, Chapter 19.3.5, *Rebate to Owner of Land Leased for Residential Use*.

### Reason code 10 – Non-resident recipient of a taxable supply of an installation service – rebate paid or credited by registered supplier

#### Eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you are not registered for GST/HST;
- you sold goods on an installed basis to a person who is registered for GST/HST;
- you contracted with a supplier, who is registered for GST/HST, to install the goods in real property located in Canada; and
- you would have had to pay GST/HST on the installation services if the supplier had not paid or credited the rebate.

In some cases, a person **other** than the non-resident supplier of the goods may apply for the rebate. The following is an example of this situation:

- A non-resident supplier, **not** registered for GST/HST, sells goods on an installed basis to a person who is registered for GST/HST.
- The non-resident supplier enters into a contract with a second non-resident, who is also **not** registered for GST/HST purposes, to perform the installation services.
- The second non-resident further contracts with another supplier, who is registered for GST/HST, to install the goods in real property in Canada.

In this example, the second non-resident would be the one entitled to the rebate for the GST/HST paid on the installation service, not the original supplier of the goods.

#### Joint and several liability

If a supplier pays or credits such a rebate to a person and the supplier knows or ought to know that the person is not entitled to all or part of the rebate, both the supplier and the person who received the rebate are liable to repay the amount to us.

#### Filing instructions

You have to complete Parts A, B, C, F, and G of the rebate application. If you are applying for a rebate under reason code 10, you have to use method (b) when you complete Parts C and G of the application. Make sure to indicate what you would have paid if the supplier had not paid or credited the amount to you. See “Part C – Calculating your rebate”, on page 18 for details on how to complete Parts C and G of the application form.

The GST/HST-registered supplier of the installation services who pays or credits the rebate to you has to complete Part E of the application. The supplier will then send the application with his or her GST/HST return and claim the amount paid or credited on line 107 of the return.

#### Filing deadline

The registered supplier has to file the rebate application with his or her GST/HST return for the reporting period in which he or she paid or credited the rebate.

The registered supplier does not have to send any receipt or invoice for the installation service when the GST/HST return and the rebate application are filed. Both the supplier and the purchaser need to keep their copies of these documents in case we ask to see them.

#### Note

If the supplier **does not pay or credit** the rebate to you and you meet all the eligibility criteria, you can file for your rebate under reason code 11.

### Reason code 11 – Non-resident recipient of a taxable supply of an installation service – rebate not paid or credited by supplier

#### Eligibility

You are eligible for a rebate if:

- you are a non-resident;
- you are not registered for GST/HST;
- you sold goods on an installed basis to a person who is registered for GST/HST;
- you contracted with a supplier who is registered for GST/HST to install the goods in real property located in Canada; and
- you paid GST/HST on the installation services.

In some cases, a person other than the non-resident supplier of the goods may apply for the rebate. An example of this is the following:

- A non-resident supplier, **not** registered for GST/HST, sells goods on an installed basis to a person who is registered for GST/HST.
- The non-resident supplier enters into a contract with a second non-resident, who is also **not** registered for GST/HST, to perform the installation services.
- The second non-resident further contracts with another supplier, who is registered for GST/HST, to install the goods in real property in Canada.

In this example, the second non-resident has to pay GST/HST on the installation services. Therefore, the second non-resident is entitled to the rebate, not the original supplier of the goods.

#### Filing instructions

See “Part C – Calculating your rebate”, on page 18 for details on how to calculate your rebate and complete Parts C and G of the application form. If you are applying for a rebate under reason code 11, you have to use method (b) for each invoice to complete Parts C and G of

the application. Indicate the date the installation service was completed in Part G of the application.

You have to include **original** receipts with the application for all the purchases you list. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

#### Filing deadline

You have to file your rebate application within one year after the completion of the installation service.

##### Note

In some cases, the GST/HST-registered supplier will pay or credit you your rebate at the time of your purchase. If the supplier has done this, follow the instructions for reason code 10.

### Reason code 12 – Goods imported at a place in a non-participating province

This rebate is for the provincial part of the HST that has been paid on imported goods. Generally, this rebate is not available to selected listed financial institutions. However, if you are a selected listed financial institution that is an insurer or a surety, a rebate may be available in certain limited conditions. If you need more information, call us.

On, or after July 1, 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 14 (i.e.,  $8/14 \times$  HST amount). Before July 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 15 (i.e.,  $8/15 \times$  HST amount).

#### Eligibility

You are eligible for a rebate if:

- you are a resident of a participating province and paid HST on goods that you imported into Canada but outside the participating provinces;
- the goods were not imported to be consumed or used in any participating province; and
- you have paid all taxes on the goods, if any, that are imposed by non-participating provinces.

#### Filing instructions

See “Part C – Calculating your rebate”, on page 18 for details on how to calculate your rebate. You have to use method (c) to complete Parts C and G of the application.

You have to include **original** receipts for all purchases that you list. You also have to provide proof that you have paid all taxes imposed outside the participating provinces that are payable, if any, on all the purchases you listed. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

Your rebate claim has to be for taxable purchases you made (other than purchases of zero-rated supplies) that total at least \$200 (excluding HST).

#### Filing deadline

You have to file your rebate application within one year from the day that the tax becomes payable.

If you are an individual, you can only claim a rebate once in each calendar quarter. Businesses can apply once every calendar month.

### Reason code 13 – Intangible personal property or services supplied in a participating province

This rebate is for the provincial part of HST that has been paid on intangible personal property or services that are for use primarily outside the participating provinces.

Generally, this rebate is not available to selected listed financial institutions. However, if you are a selected listed financial institution that is an insurer or a surety, a rebate may be available in certain limited conditions. If you need more information, call us.

On, or after July 1, 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 14 (i.e.,  $8/14 \times$  HST amount). Before July 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 15 (i.e.,  $8/15 \times$  HST amount).

#### Eligibility

You are eligible for this rebate if:

- you are a resident in Canada;
- you received a supply of intangible personal property or a service that is to be consumed, used, or supplied primarily **outside** the participating provinces; and
- you paid HST on the supply.

#### Filing instructions

Use the following formula to determine the amount of the rebate you can claim:

$$A \times B$$

- A** is the provincial part of the HST that is payable; and
- B** is the percentage to which the intangible personal property or service is for consumption, use, or supply outside the participating provinces.

You have to use method (c) when completing Parts C and G of the application. Make sure to list all purchase details in Part G, “Details of rebate application” and enter the result of your calculation under “Other”. If you run out of room in Part G, use Form GST288, *Supplement to Form GST189 and Form GST498*, to list the rest of the amounts.

Add all amounts you listed in Part G and on Form GST288, if you used it, and enter the total at the bottom of the “Other” column.

Enter that total in Part C, “Calculating your rebate” of the rebate application form beside “Other” under the “Amounts claimed” column.

You have to include **original** receipts for all purchases that you list. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

Each receipt in your application has to show eligible taxable purchases (other than zero-rated purchases) of at least \$50 (excluding HST). The **total** of all the taxable purchases (other than zero-rated purchases) for which you request a rebate has to be at least \$200 (excluding HST).

### Filing deadline

You have to file your rebate application within one year from the day that the tax became payable.

If you are an individual, you can only claim a rebate once in each calendar quarter. Businesses can apply once every calendar month.

## Reason code 14 – Segregated fund receives taxable specified services from insurer – rebate paid or credited by insurer

This rebate allows an insurer's segregated fund to claim a rebate of the provincial part of HST payable on "specified services" to the extent that the fund holds or invests funds for persons who are resident outside the participating provinces.

On, or after July 1, 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 14 (i.e.,  $8/14 \times \text{HST amount}$ ). Before July 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 15 (i.e.,  $8/15 \times \text{HST amount}$ ).

For purposes of this rebate, "specified services" include any management or administrative services supplied to a segregated fund by the insurer, as well as any other services provided to the fund by the insurer.

The rebate is available regardless of whether the fund consumes or uses the services outside the participating provinces.

### Eligibility

An insurer may pay or credit the amount of the rebate to you if:

- you are a segregated fund of the insurer;
- you are not a selected listed financial institution;
- you received a taxable "specified service" from the insurer;
- the insurer would usually have to collect HST from you on the value of the service;
- you hold or invest funds for the benefit of persons who are resident outside the participating provinces; and
- you and the insurer **elect** to have the insurer pay or credit the rebate to you (see below).

### Election

As a segregated fund of an insurer, you and the insurer may elect to have the insurer pay or credit to you the amount of your rebate. To make this election, you have to complete Parts A, B, and F of the application. The insurer has to complete Part E on the back of the application.

#### Note

There is no separate election form.

## Joint and several liability

Where an insurer, in determining its net tax for a reporting period, deducts a rebate it paid or credited to a segregated fund and the insurer knows or ought to know that the segregated fund is not entitled to all or part of the rebate, the insurer and the segregated fund are both liable to repay the amount to us.

## Filing instructions

Determine the amount of your rebate by using the following formula:

$$A \times B$$

**A** is the provincial part of HST; and

**B** is the percentage to which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident outside the participating provinces.

You have to complete Parts A, B, C, F, and G of the rebate application. Use method (c) to complete Parts C and G of the application.

Enter the purchase details of the specified service in Part G, "Details of rebate application" of the rebate application. Also enter the amount of your rebate, based on the above calculation, under "Other" in Part G. If you run out of room, use Form GST288, *Supplement to Form GST189 and Form GST498*, to list the rest of the amounts.

Add all amounts you listed in Part G and on Form GST288, if you used it, under "Other." Enter the total at the bottom of that column and in Part C, "Calculating your rebate" beside "Other" under the "Amounts claimed" column.

Your rebate claim must relate to taxable purchases you made (other than purchases of zero-rated supplies) that total at least \$200 (excluding HST).

### Filing deadline

The insurer has to send the rebate application with the GST/HST return for the period in which the insurer paid or credited the rebate. He or she shows the amount of the rebate on line 107 of the return.

The insurer does not have to send any supporting documents (e.g., receipts, invoices, contracts) relating to the specified services with the GST/HST return and the rebate application. Both the insurer and the segregated fund need to keep their copies of these documents on file in case we ask to see them later.

Businesses can submit an application once every calendar month.

## Reason code 15 – Specified services supplied to an investment plan or a segregated fund

This rebate allows an investment plan or an insurer's segregated fund to claim a rebate of the provincial part of HST payable on "specified services" to the extent that the plan or fund holds or invests funds for persons who are resident outside the participating provinces.



On, or after July 1, 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 14 (i.e.,  $8/14 \times$  HST amount). Before July 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 15 (i.e.,  $8/15 \times$  HST amount).

For purposes of this rebate, “specified services” includes any management or administrative services supplied to an investment plan or a segregated fund by a person, as well as any other services provided to the plan or fund by the same person.

The rebate is available regardless of whether the plan or fund consumes or uses the services outside the participating provinces. Where the fund or plan has self-assessed HST on services acquired outside the participating provinces, the amount of the rebate is adjusted to reflect the fact that HST is payable only to the extent that the service was acquired to be consumed or used in participating provinces.

### Eligibility

You are eligible for this rebate if:

- you are an investment plan or an insurer’s segregated fund and are not a selected listed financial institution;
- you are the recipient of taxable “specified services”;
- you are required to pay to the supplier, or to self-assess, the provincial part of HST; and
- you hold or invest funds for the benefit of persons who are resident outside the participating provinces.

### Filing instructions

Determine the amount of your rebate by using whichever one of the following two formulas applies:

- 1) If the specified services have been supplied in a participating province:

$$A \times B$$

**A** is the provincial part of HST; and

**B** is the percentage to which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident outside the participating provinces.

- 2) If the specified services have been supplied outside the participating provinces and you have to self-assess the provincial part of HST:

$$A - (B \times C)$$

**A** is the provincial part of HST that you had to self-assess;

**B** is the provincial part of HST that you would have to self-assess if you acquired the services to consume, use, or supply exclusively in participating provinces; and

**C** is the percentage to which you may reasonably be regarded as holding or investing funds for the benefit of persons who are resident in participating provinces.

Use method (c) to complete Parts C and G of the application. Enter the result of your calculation in Part G, “Details of rebate calculation” under “Other”. Also include the purchase details of the services in Part G. If you run out

of room in Part G, use Form GST288, *Supplement to Form GST189 and Form GST498*, to list the rest of the amounts.

Add all the amounts you entered under “Other” in Part G and on Form GST288, if you used it. Enter the total in Part C, “Calculating your rebate” of the rebate application form beside “Other” under the “Amounts claimed” column.

Your rebate claim must relate to taxable purchases you made (other than purchases of zero-rated supplies) that total at least \$200 (excluding HST).

Do not include original receipts with your application. However, you have to keep these documents in case we ask to see them later.

### Filing deadline

You have to file your rebate application within one year from the day that the tax became payable.

Businesses can submit an application once every calendar month.

#### Note

If you have to self-assess the provincial part of HST, use Form GST489, *Return for Self-Assessment of the Provincial Part of Harmonized Sales Tax (HST)*.

### Reason code 16 – Provincial point-of-sale rebate on books

Generally, if you buy a printed book in or from a participating province, the GST/HST-registered supplier will credit you with the rebate of the provincial part of the HST due at the time of your purchase. This means that you usually will not pay the provincial part of the HST when you buy a printed book in or from a participating province. However, if the supplier does not credit the rebate to you, you can apply for a rebate of the tax under reason code 16.

On, or after July 1, 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 14 (i.e.,  $8/14 \times$  HST amount). Before July 2006, the provincial part of HST is equal to 8 multiplied by the amount of HST, divided by 15 (i.e.,  $8/15 \times$  HST amount).

This rebate applies to purchases of the following:

- a printed book or an update of a printed book;
- an audio recording, all or substantially all of which is a spoken reading of a printed book; and
- a bound or unbound printed version of scripture of any religion.

#### Note

A printed book is not, for example, a newspaper; magazine; brochure or pamphlet; colouring book or book designed primarily for writing or drawing on; a program relating to an event or performance; or an agenda or calendar.

### Eligibility

You are eligible for this rebate if:

- you bought a printed book within the provinces of New Brunswick, Nova Scotia, or Newfoundland and

Labrador, and paid HST on the book; or you bought a printed book and you have self-assessed the provincial part of the HST; and

- the supplier did not pay or credit this tax to you.

If you are a registrant who bought books to use or supply in your commercial activity, do not use Form GST189. Instead, you can claim an input tax credit for the amount of the tax on your GST/HST return.

### Filing instructions

See “Part C – Calculating your rebate”, on page 18 for details on how to calculate your rebate. Use method (c) to complete Parts C and G of the application form.

You have to include **original** receipts with the application for all the purchases you list. We will return your original receipts after we process your application. We do not accept credit card slips or photocopies of receipts as proof of purchase.

### Filing deadline

You have four years from the day the tax became payable to file your rebate application.

For more information, see GST/HST Memorandum 13.4, *Rebates for Printed Books, Audio Recordings of Printed Books, and Printed Versions of Religious Scriptures*.

### Remission order

If you are filing this form as a result of a remission order granted under the *Financial Administration Act*, place a check mark in the unnumbered box in Part B of the application beside the words “Remission order.”

## Part C – Calculating your rebate

Complete the following three steps to calculate your rebate and complete the application form.

### Step 1 – Decide which calculation method you will use

The first step is to decide which calculation method you will use to calculate the amount of your rebate. There are two possible methods: (b) and (c). The calculation method you use depends on the reason code under which you are applying for a rebate. See the instructions for the reason code applicable to your claim.

#### Method (b) – Actual GST/HST paid

You have to use this method if you are applying for a rebate under reason code 4, 5, 8, 10, or 11. You may also use this method if you are applying for a rebate under reason code 1 (other than for a rebate of the difference between the old and new GST/HST rates).

#### Method (c) – Other

You **have to** use method (c) when you are applying for a rebate under reason code 7, 9, 12, 13, 14, 15, or 16. You also use this method if you are applying for a rebate under reason code 1 because you were incorrectly charged GST/HST at the old rate. This could happen on, or after

July 1, 2006, if you paid 7% GST or 15% HST, instead of the new reduced rate of 6% or 14%.

### Step 2 – Complete Part G of the application

You have to complete Part G, “Details of rebate application” **before** Part C, “Calculating your rebate”. This is because you enter some information in Part G that you will use to calculate the amount of your rebate in Part C.

See page 19 for information on completing Part G.

### Step 3 – Complete Part C of the application

The third step is to complete Part C of the rebate application form.

The first column of the chart in Part C lists the different calculation methods: (b), and (c).

Take the total you calculated in Part G of the application and enter it into the second column of Part C, “Amount claimed.” Make sure to enter the total beside its related method.

Next, add all of the amounts you entered in the second column under “Amounts claimed”, and enter the total at the bottom of that column beside “Total rebate claimed.” This is the total amount of your rebate.

See Appendix A at the back of this guide for an example of how to complete Parts C and G of the rebate application.

### Reducing the amount of net tax owing on your GST/HST return by your rebate

Answer “Yes” to the question at the bottom of Part C only if you are filing your rebate application with your GST/HST return and are reducing your net tax by the amount of your rebate. If you are doing this, you have to indicate the reporting period of your GST/HST return on the rebate application. If you are applying for a rebate under reason code 10 or 14, **do not** claim your rebate on line 111 of your GST/HST return. Instead, the registered supplier who paid or credited the rebate to you will file your rebate application with his or her GST/HST return, claiming an adjustment on line 107.

### Part D – Third party address

Complete Part D, “Third party address”, **only if** a third party is filing this rebate application on behalf of the claimant and the claimant previously signed and sent us Form GST507, *Third Party Authorization and Cancellation of Authorization for GST/HST Rebates*, or is attaching Form GST507 to this rebate application. This form allows the third party to either:

- sign and file the rebate application on the claimant’s behalf **and** receive the rebate cheque (made payable to the claimant); or
- file the rebate application, signed by the claimant, **and** receive the rebate cheque (made payable to the claimant).

The third party information in Part D of the rebate application must match the information given by the claimant on Form GST507.

Make sure to check the appropriate box in Part D to tell us whether Form GST507 is attached to the rebate application or whether it was previously provided to us for this third party.

Please note that **completion of Part D does not authorize a third party to sign or file the rebate application or to receive the rebate cheque**. If you are filing a general application for a rebate and you wish to authorize a third party to act on your behalf (e.g., to sign and file the rebate application for you **and** to receive the rebate cheque(s), made payable to you), complete Form GST507. Send this form to us with the rebate application, unless it was previously sent to us authorizing this third party and the authorization is still in effect at the time you claim your rebate.

A copy of Form GST507 is in the middle of this guide. The form is also available on our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms), or you can order it by calling 1-800-959-2221.

Do not complete Part D if you are applying for a rebate under reason code 10 or 14.

#### **Note**

A claimant may choose to authorize a third party for a specific period of time and indicate this on Form GST507. If the claimant does this, the period covered by the rebate application **must** fall within the period of authorization indicated by the claimant on Form GST507.

We will keep authorizations on file, both for specific periods, and indefinite periods, of time. Do not submit the same authorization with every application. However, if any information on Form GST507 changes, the claimant has to send us another authorization form with the new information.

You can also use Form GST507 to cancel a third party authorization.

## **Part E – Registered supplier identification OR insurer election**

Complete Part E if you are claiming a rebate under reason code 10 or 14.

If you are applying for a rebate under reason code 10, by completing Part E you indicate that you have submitted your rebate application to the GST/HST-registered supplier instead of to us. If you and the supplier have agreed to do this, the supplier pays or credits you with your rebate at the time of your purchase. See page 14 for details on applying for a rebate under reason code 10.

If you are applying for a rebate under reason code 14, by completing Part E you indicate that you and the insurer have jointly elected to have the insurer pay or credit you with your rebate. See page 16 for details on applying for a rebate under reason code 14.

An authorized official for the GST/HST-registered supplier or insurer has to complete and sign Part E of the rebate application.

## **Part F – Certification**

You have to sign your rebate application, or a representative you have authorized using Form GST507, *Third Party Authorization and Cancellation of Authorization for GST/HST Rebates*, can sign your rebate application on your behalf. We will return any unsigned rebate applications we receive.

#### **Note**

If you are filing an application under reason code 10 or 14 because a GST/HST-registered supplier or insurer paid or credited you with your rebate, you are still considered to be the legal claimant. Therefore, you have to sign Part F of the rebate application. The registered supplier or insurer cannot complete this part.

## **Part G – Details of rebate application**

This part explains step 2 from “Part C – Calculating your rebate”, on page 18. If you have not yet completed “Step 1 – Decide which calculation method you will use”, go back to page 18 before completing Part G of the rebate application.

Part G is broken down into six columns. In the first four columns, enter the date of the purchase or the invoice date, the invoice number, or import entry, the supplier’s name, and a brief description of the purchase.

### **Using calculation method (b)**

The fifth column in Part G of the rebate application is for calculation method (b). Enter the actual amount of GST/HST you paid in this column. If you run out of room to list all your purchases in this column, use Form GST288, *Supplement to Form GST189 and Form GST498*, to list the rest of the purchases.

Add the amounts of all the purchases you listed under “Actual GST/HST paid” in Part G, and on Form GST288 if you used it.

Using the total you arrived at after you completed Part G, complete Part C, “Calculating your rebate” of the application form. See the section called “Step 3 – Complete Part C of the application”, on page 18 for details on how to complete Part C.

### **Using calculation method (c)**

The sixth column in Part G of the rebate application is for calculation method (c). There is no standard calculation you have to use when you file your application using calculation method (c). This is because this method is used when only a part of the GST/HST you paid is rebatable or when there is a specific calculation that must be completed separately to determine the amount of a rebate. For example, if you are applying for a rebate under reason code 12, the amount of your rebate is based on a formula that is specific to that particular rebate. Therefore, each calculation will be different depending on your situation.

Calculate the amount of your rebate based on the instructions for the applicable reason code and enter the amount under “Other” in Part G.

If you run out of room to list all the details in this column, use Form GST288 to list the rest of the details.

Add all the amounts you listed under “Other” in Part G, and on Form GST288 if you used it.

Using the total you arrived at after you completed Part G, complete Part C, “Calculating your rebate” of the application form. See the section called “Step 3 – Complete Part C of the application”, on page 18 for details on how to complete Part C.

See Appendix A at the back of this guide for an example of how to complete Parts C and G of the rebate application.

## Appendix A – Example of Parts C and G on Form GST189

See page 18 for information on how to complete Part C of the application and page 19 for information on how to complete Part G.

The figures in the “Amounts claimed” column in Part C are taken from Part G, below.

### Part C – Calculating your rebate

Calculation methods	Amounts claimed (Total from reverse or Supplements)
(b) Actual GST/HST paid	\$ 5.25
(c) Other (for code 7, 9, 12, 13, 14, 15, 16, or code 1 in certain cases)	\$ 99.50
<b>Total rebate claimed</b>	<b>\$ 104.75</b>

### Part G – Details of rebate application

Method (b) : Actual GST/HST paid ;					
Method (c) : Other (for code 7, 9, 12, 13, 14, 15, 16, or code 1 in certain cases.)					
Date	Invoice no. or Import Entry no.	Supplier's name	Brief description of purchases	Actual GST/HST paid	Other
1 Feb 14/06	IN 601	Perkins Bicycles	3 gear changers	\$5.25	
2 Feb 15/06	205	Hocking Parts	1 roll of 7/8"		\$3.50
3 Mar 20/06	7905	Huddle Inc.	3 piece office suite		\$96.00
<b>Total (forward to Part C, "Calculating your rebate")</b>				\$5.25	\$99.50
				<b>Forward to (b)</b>	<b>Forward to (c)</b>

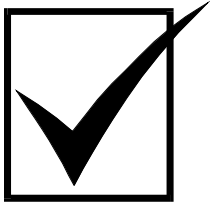
## Appendix B – Tax Services Offices and the non-residents they serve

Tax Services Offices	United States	Outside United States
<p>Vancouver Tax Services Office 1166 West Pender Street Vancouver BC V6E 3H8 Telephone: (604) 691-4308</p>	<p>Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, Washington</p>	<p>Asia, Australia</p>
<p>Calgary Tax Services Office 220-4th Avenue S.E. Calgary AB T2G 0L1 Telephone: (902) 426-5150</p>	<p>Colorado, Montana, New Mexico, Oklahoma, Texas, Wyoming</p>	
<p>Winnipeg Tax Services Office 325 Broadway Street Winnipeg MB R3C 4T4 Telephone: (902) 426-5150</p>	<p>Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, North Dakota, South Dakota</p>	
<p>Windsor Tax Services Office 185 Ouellette Avenue P.O. Box 1655 Windsor ON N9A 7G7 Telephone: (519) 252-4705</p>	<p>Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, Wisconsin</p>	
<p>Halifax Tax Services Office 1557 Hollis Street P.O. Box 638 Halifax NS B3J 2T5 Telephone: (902) 426-5150</p>	<p>Maine</p>	<p>Albania, Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, United Kingdom</p>
<p>Ottawa Tax Services Office 333 Laurier Avenue West Ottawa ON K1A 0L9 Telephone: (613) 598-3942</p>	<p>Connecticut, Delaware, District of Columbia, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, Vermont</p>	<p>Africa, Central America, France, Luxembourg, Middle East and Gulf States, South America, Switzerland, West Indies, all other countries</p>

## Notes

# ***Your opinion counts!***

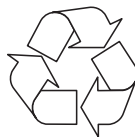
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