



ELECTION OR REVOCATION OF AN ELECTION BY A PUBLIC SERVICE BODY TO HAVE AN EXEMPT SUPPLY OF REAL PROPERTY TREATED AS A TAXABLE SUPPLY

Use this form if you are a public service body (PSB) and want to have an exempt supply of real property treated as a taxable supply; if you wish the actual use rule rather than the primary use rule to apply to the property for claiming input tax credits (ITCs); or if you would like to revoke a previous election. If this is an election, do not complete section G. If you are revoking an election, complete only sections A, C, and G. Real property means the entire estate or interest held by the PSB included in the legal description or leasehold interest (which includes all structures and other improvements that are fixtures to the land). See the second and third page of this form for additional information.

A – Identification									
Complete legal name	Business Number								
Trading name (if different from legal name)									
Mailing address	City	Province	Postal code						
Contact person	Title	Telephone number ()							
B – Type of organization									
You must be a public service body (PSB) to be eligible to make or revoke this election. Please specify the PSB activities you are engaged in.									
<input type="checkbox"/> Charity	<input type="checkbox"/> Municipality	<input type="checkbox"/> School authority	<input type="checkbox"/> University						
<input type="checkbox"/> Non-profit organization	<input type="checkbox"/> Hospital authority	<input type="checkbox"/> Public college							
C – Identification of the property									
Legal description of the property: lot, plan, concession, range, parcel, section, etc. (this information is found at the provincial land registry office, on your deed, or another land transfer document.) Where applicable, use strata lot for lot number.									
Plan No.	Lot No.	Other							
D – Information regarding this election									
a) Is the property being supplied by way of sale?		<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, specify the date of sale:						
			<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="text-align: center;"> _ </td> <td style="text-align: center;"> _ </td> <td style="text-align: center;"> _ </td> </tr> </table>	Year	Month	Day	_	_	_
Year	Month	Day							
_	_	_							
b) Is the property being supplied by way of lease, licence, or similar arrangement?		<input type="checkbox"/> Yes <input type="checkbox"/> No							
c) Do you wish to claim ITCs based on the actual use of the property in your commercial activities rather than using the primary use rule?		<input type="checkbox"/> Yes <input type="checkbox"/> No							
d) What was the percentage of use in commercial activity at the time you made the election?		_____ %							
E – Eligibility - you must answer yes to one of these questions to be eligible to make the election									
Is the property capital real property?		<input type="checkbox"/> Yes	<input type="checkbox"/> No						
Is the real property held in inventory for the purpose of supplying it?		<input type="checkbox"/> Yes	<input type="checkbox"/> No						
Is the real property acquired by way of lease, licence, or similar arrangement for the purpose of supplying the property in the same manner, or for the purpose of assigning the arrangement?		<input type="checkbox"/> Yes	<input type="checkbox"/> No						
F – Election									
_____, makes an election for the supply of the above-mentioned real property. <small>(print complete legal name of PSB)</small>									
The PSB understands that, once this election takes effect, certain supplies of the real property that would be exempt will become taxable and subject to GST/HST.									
Effective date of this election (date the PSB wants the supply of the real property to be taxable or the date the PSB wishes to claim ITCs based on the actual use of the real property in commercial activities):		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="text-align: center;"> _ </td> <td style="text-align: center;"> _ </td> <td style="text-align: center;"> _ </td> </tr> </table>		Year	Month	Day	_	_	_
Year	Month	Day							
_	_	_							
I certify that the information given on this form is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign this election on behalf of the PSB.									
Signature of authorized person	Title	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="text-align: center;"> _ </td> <td style="text-align: center;"> _ </td> <td style="text-align: center;"> _ </td> </tr> </table>		Year	Month	Day	_	_	_
Year	Month	Day							
_	_	_							

G – Revocation

_____, revokes the election previously made for the real property specified on this form.
(print complete legal name of the PSB)

By making this revocation, the PSB is deemed to have paid and collected GST/HST. If the effective date of revocation is after May 1, 2006, the deemed tax is equal to the basic tax content (BTC) of the property on the effective date of revocation. Before May 2, 2006, the PSB is deemed to have paid and collected GST/HST calculated on the fair market value of the property on the effective date of the revocation. The PSB is required to account for this GST/HST in determining its net tax and remit any resulting positive amount of net tax. An exempt supply of the real property made after the effective date of revocation will no longer be treated as a taxable supply.

Effective date of revocation of the election:

Year	Month	Day
_	_	_

I certify on behalf of the PSB, that the information given on this form is, to the best of my knowledge, true, correct and complete in every respect, and that I am authorized to sign this revocation on behalf of the PSB.

Signature of authorized person

Title

Year	Month	Day
_	_	_

GENERAL INFORMATION

General information

As a PSB, you can elect, on a property-by-property basis, to treat as taxable certain supplies of your real property that would otherwise be exempt when made by a PSB. This property can be capital real property, real property that you hold as inventory, or real property that you acquired by way of lease, licence, or similar arrangement for the purpose of supplying the property in the same manner, or for the purpose of assigning the arrangement.

Effect of the election

Without the election, the primary use rule applies. Under the primary use rule, you can claim input tax credits (ITCs) for GST/HST paid or payable on the acquisition of capital real property and any related improvements only if the property is used primarily (more than 50%) in your commercial activities. When this election is made, you may claim an ITC for the property based on the percentage of its actual use in your commercial activities (as long as it is at least 10%). This election also allows you to claim ITCs for purchases and expenses (such as utilities) related to the real property to the extent the property is used in your commercial activities. You must charge and collect GST/HST on all taxable supplies of the real property while the election is in effect. In some cases, supplies of real property will remain exempt (e.g., supplies of long-term residential rents).

Registrants

Election effective the day of acquisition

If the election becomes effective on the day you acquire the real property, you claim your ITCs for the tax paid or payable on the acquisition of the property, based on the percentage of use of the property in your commercial activities (as long as it is at least 10%). For charities, ITCs are only permitted in accordance with the net tax calculation method assigned to charities, unless you made an election not to use the method.

Election effective after the day of acquisition

If the election becomes effective after you acquire the real property, the following rules apply:

- You are deemed to have made a taxable sale of the property immediately before the effective date of the election and to have collected GST/HST on the sale equal to the BTC of the property on the effective date of the election.

- You are also deemed to have purchased the property on the effective date of the election and to have paid GST/HST on the deemed purchase equal to the BTC of the property on the effective date of the election. The BTC of the property is generally equal to the tax paid or payable on the acquisition of the property and any related improvements, less any rebate entitlements.
- Because of the deemed sale, you are entitled to claim an ITC equal to the BTC of the property before the deemed sale to recover all or part of the GST/HST paid or payable on the last acquisition and that you were not able to recover because the property was not used primarily in your commercial activities. Special rules apply that may limit the ITC claim where you have made a sale of real property to another person with whom you are not dealing at arm's length. For more information, call us at **1-800-959-8287**.
- You are required to account for the GST/HST that you are deemed to have collected on the deemed sale, (equal to the BTC of the property on the effective date of the election), in your net tax calculation.
- You are entitled to claim an ITC for the GST/HST that you are deemed to have paid on the deemed acquisition based on the extent of use of the real property in your commercial activities (as long as it is at least 10%) after the election subject to the net tax calculation for charities.

Non-registrants

If you are eligible and make this election, you may claim a rebate of tax when you later sell the real property. The amount of the rebate is generally the lesser of the BTC of the property and the tax payable on the sale. Special rules apply that may limit the rebate claim where you have made a sale of real property to another person with whom you are not dealing at arm's length. For more information, call us at **1-800-959-8287**. If you want to claim ITCs, you should register.

Becoming a registrant

If you become a GST/HST registrant on the same day that this election comes into effect, the rules for claiming ITCs discussed above do not apply. However, you may be able to claim ITCs if we consider you to have paid tax on the property (that you are electing on) upon becoming a registrant, if the property was used in commercial activities. For more information on becoming a registrant and its effects on property used in commercial activity, call us.

Filing the election or revocation

You have to send us this form no later than one month after the end of the reporting period in which the election or revocation becomes effective. You have to file a separate election for each real property you want to treat as taxable.

Duration of the election

The election is effective until the day of revocation specified in section G of this form.

Revocation of the election

When an election is revoked, you are deemed to have sold and to have purchased the property. In addition, you are deemed to have sold the property at fair market value (before May 2, 2006) or deemed to have collected and paid tax equal to the BTC of the property after May 1, 2006. You are required to remit GST/HST that you are deemed to have collected and you should follow the primary use rules to determine whether an ITC may be claimed. When revoking an election, complete only sections A, C, and G.

Note

Most supplies of real property made by a municipality are subject to GST/HST, where the amount payable became due, or was paid without having become due after March 9, 2004. There are exceptions. For more information, call us.

More information

For more information, refer to our guides RC4081, *GST/HST Information for Non-profit Organizations*, and RC4082, *GST/HST Information for Charities*, or call our Business Enquiries line at **1-800-959-5525**.