

**Please note that the following Policy Statement, although correct at the time of issue, may not have been updated to reflect any subsequent legislative changes.**

**GST/HST Policy Statement**

P-236 Supply of Photocopies

**Date of Issue**

March 29, 2000

**Subject**

SUPPLY OF PHOTOCOPIES

**Legislative Reference(s)**

Subsection 123(1) definition of “service” and “property” of the *Excise Tax Act* (ETA)

**National Coding System File Number(s)**

11715-1, 11720-1

**Effective Date**

July 1, 2000

**Issue and Decision**

The issue is whether the supply of photocopies is the supply of a service or tangible property.

Generally, it is the position of the Canada Customs and Revenue Agency that the supply of photocopies is a supply of tangible property.

However, under certain circumstances, the supply of photocopies may be considered the supply of a service where the recipient of the supply provides the necessary inputs. If a customer were to bring the original document and the paper on which to make the copies to the photocopy shop, then the supply of the photocopies would be a supply of a service.

**Sample Ruling 1**

### Statement of Facts

1. A charity, which is a registrant, enters into a contract to make photocopies of an original document supplied to it by a customer.
2. The consideration is based on a cost per photocopy. The consideration paid by the customer for the supply of photocopies exceeds the direct cost (as defined in subsection 123(1) of the ETA) to the charity.
3. In the course of supplying photocopies, the charity acquires property and services on which it pays GST/HST.

### Ruling Given

1. The supply of photocopies is a supply of tangible property and GST/HST will be payable on the supply pursuant to section 165 of the ETA.
2. Input tax credits may be claimed for GST/HST paid by the charity on property or services acquired for the purpose of making supplies of photocopies, pursuant to section 169 of the ETA.

## **Sample Ruling 2**

### Statement of Facts

1. A university, which is a public institution and a registrant, has a number of stand-alone photocopiers in its library which accept cash cards with declining balances as payment for photocopies.
2. The photocopiers are operated by individuals, generally university students, who copy material needed for their courses. The balance on the cash card decreases based on the cost per copy.
3. The consideration paid by the customer for the supply of photocopies exceeds the direct cost (as defined in subsection 123(1) of the ETA) to the public institution.
4. In the course of supplying photocopies, the university acquires property and services on which it pays GST/HST.

### Ruling Given

1. The supply of photocopies is a supply of tangible property and GST/HST will be payable on the supply pursuant to section 165 of the ETA.

2. Input tax credits may be claimed for GST/HST paid by the university on property or services acquired for the purpose of making supplies of photocopies, pursuant to section 169 of the ETA.

### **Sample Ruling 3**

#### Statement of Facts

1. A university, which is a public institution and a registrant, has a number of stand-alone photocopiers in its library which accept coins.
2. The photocopiers are operated by individuals, generally university students, who copy material needed for their courses. The consideration is based on a cost per photocopy.
3. The consideration paid by the customer for the supply of photocopies exceeds the direct cost (as defined in subsection 123(1) of the ETA) to the public institution
4. In the course of supplying photocopies, the university acquires property and services on which it pays GST/HST.

#### Ruling Given

1. The supply of photocopies is a supply of tangible property and GST/HST will be payable on the supply pursuant to section 165 of the ETA.
2. Input tax credits may be claimed for GST/HST paid by the university on property or services acquired for the purpose of making supplies of photocopies, pursuant to section 169 of the ETA.