

Recreational Facilities

About this Guide

The information in this *Guide* explains how Retail Sales Tax (RST) applies to charges or fees associated with recreational facilities. Please note that this *Guide* replaces the previous version dated September 1996.

Facilities

Examples of Facilities

Most charges or fees for the rental or use of **recreational facilities are not taxable**. These facilities include:

- arenas and gymnasiums
- bowling alleys
- cruise boats with operators
- curling rinks
- go-cart tracks
- golf courses and driving ranges
- natural parks and campgrounds
- pavilions, dance halls, etc.
- rifle ranges
- ski tows
- tennis courts
- video arcades

Admission Price

RST applies to a charge of more than \$4.00 for admission to an amusement park with rides **and** other entertainment, or to a pavilion or dance hall where alcoholic beverages are served. RST is to be charged at the rate of 10%. See ***RST Guide 303 - Admissions*** for more information, including combination package prices.

If the admission price is taxable, a Vendor Permit must be obtained from an Ontario Ministry of Finance Tax Office. Since the federal government allows vendors the option of using GST-included pricing when invoicing customers, RST does not apply unless the GST-included price of admission is more than \$4.28 (\$4.00 + 7% GST).

Recreational facilities with snack bars or food concessions are required to have a permit as most sales are taxable. ***RST Guides 300 - Prepared Foods*** and ***501- Snack Foods, Beverages and Candies*** provide more details on taxable items. Also see ***RST Guide 301- Accommodation*** for information on sales made by camps and resorts.

Equipment

Examples of Taxable Equipment

Most charges for the rental of recreational equipment are taxable at the rate of 8%. Taxable equipment includes:

- boats and canoes
- chairs, tables, etc.
- life jackets
- rifles
- ski equipment
- fishing equipment
- golf clubs and carts
- hockey equipment
- sound and lighting equipment
- tennis racquets

If the equipment is purchased for rental purposes, it can be bought tax-exempt by issuing a properly completed Purchase Exemption Certificates to the suppliers. See **RST Guide 204 - Purchase Exemption Certificates** for details. However, if the lessor converts the equipment for own use at a later date, RST is to be paid on the fair value of the equipment at the time of change in use.

Footwear

Footwear, such as bowling shoes, boot-type roller skates and ice skates may be rented exempt from RST if the rental charge per pair is \$30 or less.

With/Without an Operator

Rental charges for a boat **without** an **operator** are taxable. A lessor may purchase the boat exempt from RST. If the boat is rented **with** an operator, the rental charges are tax-exempt, but in this case, the lessor is required to pay RST when the boat is purchased.

With/Without a Guide

The rental charges for a boat, **with** or **without** a **guide**, are taxable and a lessor may purchase the boat exempt from RST. If a boat is rented with a guide, the charge for the guide is exempt if shown separately on the invoice. If the charge is not shown separately, the entire charge is taxable. If the guide is also the operator, the paragraph above applies.

For Further Information

The information contained in this publication is only a guideline. For further information, please contact the nearest Ontario Ministry of Finance Tax Office listed in the blue pages of your telephone directory, call our TAX FAX service at 1-877-4-TAX-FAX (1-877-482-9329), or visit our website at: www.trd.fin.gov.on.ca

Ce guide est disponible en français sous le nom «Installations de loisirs, n° 503F».
Vous pouvez obtenir un exemplaire en appelant le 1-800-668-5821.