



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Refund for Business Travel to Canada

**Government of Canada's
official brochure and form**

No processing fee

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 pamphlet contains this proposed change to law, which was current at the time of publication.

La version française de cette brochure est intitulée *Remboursement de la taxe pour voyages d'affaires au Canada*.

About this pamphlet

This pamphlet and form are only for use by a non-resident business or its representative that is claiming a refund of the goods and services tax/harmonized sales tax (GST/HST) paid on eligible short-term accommodation for the business. The eligible short-term accommodation has to have been acquired for a non-resident individual (an owner, an employee, or a customer) who travelled to Canada on behalf of the business.

Note

If a non-resident business owner paid GST/HST on both eligible short-term accommodation and eligible goods for personal use while travelling on business in Canada, see our pamphlet RC4031, *Tax Refund for Visitors to Canada* for information on claiming a refund.

How to recover the GST/HST paid in other situations

You may be able to get a refund, rebate, or credit for the GST/HST you paid on your purchases in other situations.

If you are a non-resident business registered for GST/HST, see our guide RC4027, *Doing Business in Canada – GST/HST Information for Non-Residents*.

See our booklet RC4160, *Tax Refund for Non-Resident Travel Organizers and Foreign Conventions* if you are a non-resident who:

- is in business and provides short-term accommodation or tour packages to non-residents;
- is an incentive travel organizer, tour operator, or meeting planner;
- is an organizer or sponsor of a foreign convention; or
- is an exhibitor at a convention.

If you are a non-resident who paid GST/HST on goods you exported from Canada for commercial purposes, see our guide RC4033, *General Application for GST/HST Rebates*.

See our pamphlet RC4031, *Tax Refund for Visitors to Canada* if you are a non-resident individual who:

- is the sole owner of your business (that is, you and the business are the same person) and you bought both eligible goods for personal use **and** eligible short-term accommodation while travelling on business in Canada;
- paid GST/HST on eligible goods for **personal use** while travelling in Canada; or
- came to Canada for **non-business reasons** and paid GST/HST on eligible short-term accommodation.

What is GST/HST?

GST is a tax that applies on most taxable supplies made in Canada. The three participating provinces (Nova Scotia, New Brunswick, and Newfoundland and Labrador) harmonized their provincial sales tax with GST to create the harmonized sales tax (HST). HST applies to the same base of goods and services as GST.

Proposed changes to the GST/HST rates came into effect July 1, 2006. This proposed change to law was current at the time of printing.

Before July 1, 2006:

GST 7%

HST 15% (7% federal part and 8% provincial part)

On or after July 1, 2006:

GST 6%

HST 14% (6% federal part and 8% provincial part)

Consumers and businesses (including non-resident visitors to Canada) pay HST in the participating provinces or GST in the rest of Canada. As a non-resident business traveller to Canada, you may be able to claim a refund of the GST/HST you paid on **eligible** short-term accommodation.

Note

We do not refund any provincial sales tax (PST) paid on short-term accommodation.

Do you qualify for the refund?

You qualify for a refund of GST/HST if you meet all of the following conditions:

- your business is not a resident of Canada at the time you apply for the refund;
- you paid GST/HST on **eligible** short-term accommodation;
- the accommodation is made available to a non-resident individual (for example, an owner, an employee, or a customer of the business);
- the total amount of your purchases (before tax) of eligible short-term accommodation on which you paid GST/HST is at least **CAN\$200**;
- we receive your refund application within one year after the last day that any GST/HST on the eligible short-term accommodation became payable;
- each accommodation unit was provided to a non-resident individual for less than one month of continuous occupancy; and
- an application for the refund was not submitted and will not be submitted by your business or representative for the same purchases.

If you are a business person living outside Canada and are considered to be a resident of Canada under Canadian income tax laws, you do not qualify for a refund of GST/HST you paid on eligible short-term accommodation while travelling on business in Canada.

What qualifies for the refund?

Eligible short-term accommodation

Eligible short-term accommodation means accommodation provided for continuous occupancy by an individual for less than one month and includes:

- hotels and motels;
- resorts and lodges;

- bed-and-breakfast establishments;
- tents and similar structures provided as part of a tour package that includes food and the services of a guide for an all-inclusive price (an example of this type of package would be an outdoor adventure tour package); and
- accommodation at a campsite in a campground or recreational trailer park (includes charges for water, electricity and waste disposal and the hook-ups or outlets, if provided with the campsite).

Eligible short-term accommodation **does not** include the following:

- services and incidentals such as room service and telephone charges;
- cruise-ship cabins and train berths;
- lodging on boats, such as a houseboat;
- rentals of travel trailers and all recreational vehicles;
- accommodation under a timeshare arrangement; and
- accommodation included in the non-taxable part of a tour package (such as hotel accommodation provided outside Canada).

What you can claim

You can claim a refund of GST/HST you paid on eligible short-term accommodation. If charges are included in the fixed price of the accommodation (such as a breakfast), you can claim a refund of the tax you paid on that fixed price.

Note

If meals, other than breakfast, are included in the price of the short-term accommodation, this is considered a travel tour package. See “Travel tour packages” below.

Travel tour packages

Travel tour packages usually combine short-term accommodation and other services (such as meals, transportation, sightseeing tours, and recreational fees) for an all-inclusive price.

If the tour package includes short-term accommodation, claim **one-half** of the full amount of GST/HST paid per tour package. However, if the tour package does not include eligible short-term accommodation in Canada for every night that the non-resident individual is to be in Canada as part of the package, you have to adjust the refund accordingly.

Example

A tour package consists of a six-day / five-night package in Canada, with the first two and last two nights of accommodation in a Canadian hotel and one night on a train. Only the four nights of accommodation in the hotel are eligible for a tax refund. The night of accommodation on the train is not considered to be short-term accommodation and is not eligible for the refund. The refund is 4/5 of 50% of the tax paid on the tour package.

Note

You cannot claim the tax refund if your travel organizer credited you the GST/HST refund in the price of your tour package. **Check with your travel organizer to find out if the refund has already been credited to you.**

Quick calculation option

Non-resident businesses or their non-resident representatives can use the quick calculation option to calculate the GST/HST refund for purchases of **tour packages** only. Your maximum claim for each application using this option is CAN\$75 per individual.

You can claim:

- a flat rate of CAN\$5 per room per night;
- a flat rate of CAN\$1 for each night of camping accommodation; and
- a flat rate of CAN\$5 per night if your all-inclusive package includes a tent or similar shelter plus food and the services of a guide.

How to get your refund

To claim a refund, complete Form GST510, *Application for Business Travel Tax Refund*, included in this pamphlet, and mail it to us.

To avoid delays in processing your refund application, be sure to do the following:

- **Sign your application.**
- Send us the complete hotel folio. We do not accept summary sheets.
- **Attach a complete list of all the individuals (first and last names in alphabetical order by last name) who used the short-term accommodation.** The list must include a statement certified by an authorized representative of the business that the individuals are non-residents of Canada and were travelling in Canada on behalf of the non-resident business.
- **Attach photocopies of your receipts.** We do not accept credit or debit card receipts, and we do not return your documents.
- Each receipt must show the cost and the number of nights of short-term accommodation in each unit of a lodging establishment made available to the non-resident individual. The receipt must also show that the GST/HST was paid.

We must receive your application within one year of the last day that any GST/HST on the eligible short-term accommodation became payable. We will only mail refund cheques to your address outside Canada. We do not deposit refund cheques to your bank account or credit them to your credit card account.

Note

Private companies may offer to submit the refund application on your behalf. These companies may act as your agent and may charge you a fee for their services. These companies are not associated with the Government of Canada or the Canada Revenue Agency.

How to contact us

Mail your refund application to:

Visitor Rebate Program
Summerside Tax Centre
Canada Revenue Agency
Suite 104, 275 Pope Road
Summerside PE C1N 6C6
CANADA

It will take about four to six weeks to process your application.

Enquiries about your tax refund

1-800-668-4748 (within Canada)

(902) 432-5608 (outside Canada)

Email address

visitors@ccra-adrc.gc.ca

Internet

www.cra.gc.ca/visitors

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