



# GST or HST?

HST applies to services provided by artists registered for HST/GST in British Columbia, Ontario, Quebec (QST), Nova Scotia, New Brunswick and Newfoundland & Labrador.

Generally, it is easy to determine whether GST or HST tax is payable on a contract. When an artist who is registered for either tax offers services entirely in one province, the tax rate for that province applies. Therefore a registered artist working in an HST province must be paid HST regardless of the location of the principle residence of the artist.

In some instances, particularly with touring productions, the appropriate tax is not clear. In such cases, working through the following questions will determine which tax should be applied.

## **Are all or substantially all of the services provided in an HST province?**

*The Excise Tax Act considers "all or substantially all" of the services as 90% or more and "primarily" is generally considered as more than 50%. For the purposes of calculating the percentage of service in various locations, percentage of time alone and not fees will be deemed to be the determining factor.*

If **YES**, then **HST** applies;

If **NO**, then,

## **Are more than 10% of the services provided in an HST province and the contract negotiated in an HST province?**

*The contact is deemed to be negotiated at the location of the agent of the artist or if negotiated by the artist at the office/home office/principle residence of the artist.*

If **YES**, then **HST** applies;

If **NO**, then,

## **Is the contract negotiated in Canada, in a province where 10% or less of the services are proved and services are primarily provided in an HST province?**

*If more than 10% of the services are provided in the province where the contract is negotiated, the place of supply is that province and the applicable tax for that province would apply.*

If **YES**, then **HST** applies;

If **NO**, then,

## **Is the contracted negotiated outside Canada, more than 90% of the services in Canada and Canadian services are provided primarily in an HST Province?**

*This would apply primarily to non-resident Canadians and foreign artists.*

If **YES**, then **HST** applies;

If **NO**, then **GST** may apply.

**See HST/GST reference chart on back...**

## HST / GST rates as of April 1, 2013:

Province / Territory	HST / GST
Alberta, British Columbia, Manitoba, Northwest Territories, Nunavut, Saskatchewan and the Yukon	GST only, tax remains at 5%.
New Brunswick and Newfoundland and Labrador	HST is 13% (8% PST + 5% GST)
Nova Scotia	HST is 15% (10% PST + 5% GST)
Prince Edward Island	HST is 14% (9% PST + 5% GST)
Ontario	HST is 13% (8% PST + 5% GST)
Quebec	QST is nominal rate of 9.5% (9.975% effective), plus GST of 5%. (GST applied to QST for the effective rate.)

Equity has prepared this resource document for the convenience of Equity members. Any variation between this summary and existing legislation must be verified with the Canadian Revenue Agency (<http://www.cra-arc.gc.ca/harmonization/>).