

May 1st, 2010 - HST Transitional Date

Please be aware of the HST rules & transitional dates coming into effect for Ontario. For sales related to events that will occur July 1st or after or for the supply of goods where ownership transfers July 1st or after, in which payment is received May 1st or after, the 13% HST rate will generally need to be charged.

Please start recording the 13% HST charged to the newly created HST payable account, 5220-100-100-0000-000000-2102-0000-000.

The old GST payable account, 5220-100-100-0000-000000-2110-0000-000, will continue to be used until July 1 for sales not subject to the transitional rules.

For **memberships**, HST will generally apply to any consideration that becomes due, or is paid without having become due, on or after May 1, 2010, for a supply of a membership in a club, organization or association to the extent that the consideration relates to any part of a membership period on or after July 1, 2010.

For **admissions**, HST will generally apply to any consideration for a supply of an admission to a place of amusement, a seminar, an event or an activity that becomes due, or is paid without having become due, on or after May 1, 2010 to the extent that the consideration relates to the part of the event or activity that occurs on or after July 1, 2010. For the University of Waterloo, this will apply to **ALL** registration fees collected for golf tournaments, conferences, seminars, workshops, symposiums, etc.

For **subscriptions**, HST does not apply to subscriptions paid in full on or after May 1st, 2010, but before July 1st, 2010. HST will apply to subscriptions paid on or after July 1st, 2010.

For **deposits**, the HST does not apply as a deposit is not a payment for a supply until the supplier applies it against the consideration for the supply.

For **prepayments of the sale of a good or service**, the HST will apply depending upon the timing of the transfer of ownership of a good or the performance of the service. If you receive a payment for a good or service before July 1st, 2010, but delivery or transfer of ownership of the good or performance of the service will not occur until on or after July 1st, 2010, then HST will generally apply.

For any HST paid on the purchase of taxable goods and services, Accounts Payable will be responsible for assessing the tax payable, calculating the applicable tax rebates and recording to the appropriate tax accounts.

Please review your business activities to ensure you are applying the HST transitional rules correctly. If you have any questions, please refer to the communications on the Finance website and/or send an email to uwkstteam@lists.uwaterloo.ca .