

## What's Taxable under the HST and What's Not?<sup>1</sup>

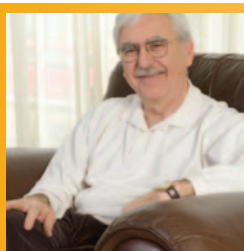
Here are some examples of common products and services purchased by British Columbians and how they will be affected by the HST. This is not an exhaustive list of all goods and services.

Input tax credits apply under the GST/HST to items purchased for use in business. For further information on input tax credits, please go to: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/bspsbch/itc-cti/menu-eng.html>.

For further information on the application of the GST/HST, please go to: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/gnrl/menu-eng.html>.

For further information on the application of the PST, please go to: [http://www.sbr.gov.bc.ca/individuals/Consumer\\_Taxes/Provincial\\_Sales\\_Tax/bulletins.htm](http://www.sbr.gov.bc.ca/individuals/Consumer_Taxes/Provincial_Sales_Tax/bulletins.htm).

For information on HST transition rules, please go to <http://hst.blog.gov.bc.ca/2010/04/01/learn-more/>



### Around the House

AROUND THE HOUSE	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Cleaning Products	5%	7%	No (remains 12%)
Laundry Detergent, Fabric Softeners	5%	7%	No (remains 12%)
Household Furniture	5%	7%	No (remains 12%)
Household Appliances (Refrigerators, Stoves, Washers, Dryers, Freezers, Dishwashers)	5%	7% <sup>2</sup>	No (remains 12%)
Pre-packaged Computer Software	5%	7%	No (remains 12%)
Books (Including Audio Books)	5%	No PST	No (remains 5%)
Newspapers	5%	No PST	Yes (changes to 12%)
Certain School Supplies	5%	No PST	Yes (changes to 12%)
Magazines	5%	No PST	Yes (changes to 12%)
Office Supplies and Stationery	5%	7%	No (remains 12%)
Landscaping Material (Sod, Topsoil, Rockery)	5%	7%	No (remains 12%)
Linens (e.g., Blankets, Towels, Sheets)	5%	7%	No (remains 12%)
Tents, Sleeping Bags, Camping Equipment	5%	7%	No (remains 12%)
Tools	5%	7%	No (remains 12%)
Patio Furniture	5%	7%	No (remains 12%)
Rugs and Mats	5%	7%	No (remains 12%)
Works of Art, Vases, and Carvings	5%	7%	No (remains 12%)
Sewing Machines	5%	7%	No (remains 12%)
Vacuum Cleaners	5%	7%	No (remains 12%)
Barbeques, Lawnmowers, Snow Blowers, Sprinklers	5%	7%	No (remains 12%)
Toys (e.g., Puzzles, Games, Action Figures, Dolls, Playsets)	5%	7%	No (remains 12%)
Outdoor Play Equipment (e.g., Swing Sets, Sandboxes, Slides)	5%	7%	No (remains 12%)

<sup>1</sup> Assumes sales by GST/HST registrants that are not non-profit organizations or registered charities, unless otherwise specified.

<sup>2</sup> The Energy Star exemption for residential refrigerators, freezers and clothes washers ended on March 31, 2010. All major household appliances are now subject to PST.

<b>AROUND THE HOUSE</b>	<b>GST-taxable before July 1, 2010</b>	<b>PST-taxable before July 1, 2010</b>	<b>Is there a change to the amount of tax payable under the HST?</b>
Arts and Craft Supplies (e.g., Glue, Paper, etc)	5%	7%	No (remains 12%)
Building Materials (e.g., Lumber, Concrete Mix, Nails)	5%	7%	No (remains 12%)
EnergyStar Windows	5%	No PST <sup>3</sup>	Yes (changes to 12%)
Thermal Insulation, Weather Stripping and Caulking	5%	No PST	Yes (changes to 12%)
Exterior and Interior Paint	5%	7%	No (remains 12%)
Kitchen Utensils	5%	7%	No (remains 12%)
Cookware	5%	7%	No (remains 12%)
First Aid Kits	5%	No PST	Yes (changes to 12%)
Smoke Detectors Valued Less Than \$250 for Residential Use	5%	No PST	Yes (changes to 12%)
Other Smoke Detectors	5%	7%	No (remains 12%)
Household Pets (Including Pet Food)	5%	7%	No (remains 12%)
House Plants , Cut Flowers, and Outdoor Ornamental Plants	5%	7%	No (remains 12%)
Food Producing Plants and Trees (e.g., Tomato Plants, Plum Tree)	5%	No PST	Yes (changes to 12%)
Household Moving Services	5%	No PST	Yes (changes to 12%)



## Clothing, Footwear and Accessories

<b>CLOTHING, FOOTWEAR AND ACCESSORIES</b>	<b>GST-taxable before July 1, 2010</b>	<b>PST-taxable before July 1, 2010</b>	<b>Is there a change to the amount of tax payable under the HST?</b>
Adult Clothing and Footwear	5%	7%	No (remains 12%)
Children Sized Clothing and Footwear	5%	No PST	No (remains 5%)
Adult Sized Clothing for Children	5%	No PST	Yes (changes to 12%)
Children's Cloth Diapers	5%	No PST	No (remains 5%) <sup>4</sup>
Children's Disposable Diapers	5%	7%	Yes (drops to 5%) <sup>5</sup>
Shoe Repair	5%	No PST	Yes (changes to 12%)
Tailoring Services	5%	No PST	Yes (changes to 12%)
Dry Cleaning	5%	No PST	Yes (changes to 12%)
Formal Wear Rentals	5%	7%	No (remains 12%)
Used Adult Clothing Purchased for Less Than \$100	5%	No PST	Yes (changes to 12%) <sup>6</sup>
Watches	5%	7%	No (remains 12%)
Jewellery	5%	7%	No (remains 12%)
Handbags and Purses	5%	7%	No (remains 12%)
Backpacks	5%	7%	No (remains 12%)
Shoe Insoles and Laces	5%	7%	No (remains 12%)
Sunglasses (Non-prescription)	5%	7%	No (remains 12%)
Scarves	5%	7%	No (remains 12%)
Umbrellas	5%	7%	No (remains 12%)
Belts	5%	7%	No (remains 12%)

<sup>3</sup> Exemption was scheduled to expire April 2011.

<sup>4</sup> For further detail see <http://www.cra-arc.gc.ca/E/pub/gi/gi-063/gi-063-e.pdf>.

<sup>5</sup> For further detail see <http://www.cra-arc.gc.ca/E/pub/gi/gi-063/gi-063-e.pdf>.

<sup>6</sup> All sales of used or donated goods made by a registered charity are exempt from HST.



## Food and Beverages

FOOD AND BEVERAGES	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Basic Groceries (e.g., Dairy, Meat, Vegetables, Canned Goods)	No GST	No PST	No HST
Snack Foods (e.g., Chips, Pop)	5%	No PST	Yes (changes to 12%)
Restaurant Meals	5%	No PST	Yes (changes to 12%)
Alcoholic Beverages	5%	10%	Yes (drops to 12%) <sup>7</sup>



## Home Services

HOME SERVICES	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Basic Cable Television	5%	No PST	Yes (changes to 12%)
Additional or Specialty Cable Television or Satellite Television	5%	7%	No (remains 12%)
Cell Phone	5%	7%	No (remains 12%)
Municipal Water	No GST	No PST	No HST
Home Maintenance Equipment (e.g., Lawn Mowers, Mops)	5%	7%	No (remains 12%)
Local Residential Phone	5%	No PST	Yes (changes to 12%)
Long Distance Telephone Services	5%	7%	No (remains 12%)
Repair to Certain Household Appliances (e.g., Stoves, Ovens, Refrigerators, Washers, and Dryers)	5%	No PST	Yes (changes to 12%)
Repair to Household Electronics (e.g., Televisions and Stereo Equipment)	5%	7%	No (remains 12%)
Home Insurance	No GST	No PST	No HST
Residential Electricity and Heating (e.g., Natural Gas/Oil)	5%	No PST, but subject to 0.4% ICE <sup>8</sup> Fund levy	Yes (drops to 5% , from 5.04%, after a 7% provincial rebate) <sup>9</sup>
Internet Access	5%	7%	No (remains 12%)
Repair, Maintenance or Renovation Services for Real Property (e.g., Plumbing Electrical Wiring)	5%	No PST	Yes (changes to 12%)
Landscaping, Lawn-Care, Private Snow Removal and House Cleaning	5%	No PST	Yes (changes to 12%)

<sup>7</sup> Although the provincial sales tax rate on liquor is decreasing from 10% to 7%, liquor mark-ups are adjusted with the implementation of the HST to generally keep the Liquor Distribution Branch shelf prices constant.

<sup>8</sup> Innovative Clean Energy

<sup>9</sup> Provincial administered Residential Energy Rebate applies to provincial portion of HST and ICE Fund levy is eliminated.



## Accommodation and Travel

ACCOMMODATION AND TRAVEL	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Luggage	5%	7%	No (remains 12%)
Municipal Public Transit	No GST	No PST	No HST
Hotel Rooms	5%	8%	Yes (drops to 12%) <sup>10</sup>
Taxis	5%	No PST	Yes (changes to 12%)
Camping Sites	5%	No PST	Yes (changes to 12%)
British Columbia Ferry System	No GST	No PST	No HST
Domestic Air, Rail and Bus Travel Originating in British Columbia	5%	No PST	Yes (changes to 12%)
International Air Travel to Continental United States Originating in British Columbia	5%	No PST	No (remains 5%)
International Air Travel Other Than to Continental United States Originating British Columbia	No GST	No PST	No HST
International Rail, Bus or Ship Travel originating in British Columbia (Other Than Day Trips)	No GST	No PST	No HST



## Motorized Vehicles

MOTORIZED VEHICLES	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Short Term Auto Rentals	5%	7% Plus \$1.50 per day Passenger Vehicle Rental Tax	Yes (rate remains at 12% but \$1.50 per day tax eliminated)
Lease of a Vehicle Other Than an Alternative Fuel Vehicle or Fuel Efficient Vehicle	5%	7% to 10%	Depends on previous PST treatment (remains 12% or drops to 12%)
Lease of Alternative Fuel Vehicle and Fuel Efficient Vehicle	5%	7% to 10% (subject to a PST reduction) <sup>11</sup>	Depends on previous PST treatment (remains 12% or drops to 12%)
Purchase of Vehicle Other Than an Alternative Fuel Vehicle or Fuel Efficient Vehicle	5%	7% to 10%	Depends on previous PST treatment (remains 12% or drops to 12%)
Purchase of an Alternative Fuel Vehicle and Fuel Efficient Vehicle	5%	7% to 10% (subject to a PST reduction)	Depends on previous PST treatment (remains 12% or drops to 12%)
Child Car Seats and Booster Seats	5%	No PST	No (remains 5%) <sup>12</sup>
Auto Insurance	No GST	No PST	No HST
Vehicle Parts	5%	7%	No (remains 12%)

<sup>10</sup> In certain municipalities there is an additional local hotel room tax of up to 2% for tourism marketing.

<sup>11</sup> Please note that purchases and leases of some new alternative fuel vehicles or new fuel efficient vehicles are subject to a partial reduction in the PST payable. For more information on the amounts of this PST reduction and who qualifies, please see Bulletin SST 085 Alternative Fuel Vehicles and Fuel Efficient Vehicles, located on the Ministry of Finance's website at [http://www.sbr.gov.bc.ca/documents\\_library/bulletins/sst\\_085.pdf](http://www.sbr.gov.bc.ca/documents_library/bulletins/sst_085.pdf). These PST reductions were scheduled to expire April 1, 2011

<sup>12</sup> For further detail, refer to <http://www.cra-arc.gc.ca/E/pub/gi/gi-063/gi-063-e.pdf>.

MOTORIZED VEHICLES	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Vehicle Repair Services	5%	7%	No (remains 12%)
Oil Changes	5%	7%	No (remains 12%)
Tires	5%	7%	No (remains 12%)
Automotive Window Repair	5%	7%	No (remains 12%)
Purchase of Used Vehicle from a GST Registrant (e.g., car dealer)	5%	7% to 10%	Depends on previous PST treatment (remains 12% or drops to 12%)
Purchase of Used Vehicle from a Non-GST Registrant (e.g., Private seller)	No GST	7% to 10%	No HST (12% provincial tax applies) <sup>13</sup>
Purchase of Boats and Non-Turbine Aircraft from a Non-GST Registrant (e.g., Private Seller)	No GST	7%	No HST (12% provincial tax applies)
Boats and Non-Turbine Aircraft	5%	7%	No (remains 12%)
Gasoline/Diesel	5%	No PST	No (remains 5%) <sup>14</sup>
Vehicle Oil, Grease, Lubricants and Antifreeze	5%	7%	No (remains 12%)
Outboard Motors	5%	7%	No (remains 12%)



## Home Purchases

HOME PURCHASES	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
New Homes up to \$525,000	5%	No PST	No change <sup>15</sup>
New Homes over \$525,000	5%	No PST	Yes <sup>16</sup>
Previously Occupied Homes	No GST	No PST	No HST
Legal fees	5%	7%	No (remains 12%)
Real Estate Commissions	5%	No PST	Yes (changes to 12%)

<sup>13</sup> HST does not apply. However, British Columbia's 12% tax on private sales of boats, aircraft and vehicles will apply to provide comparable treatment to sales by dealerships.

<sup>14</sup> For further detail, refer to <http://www.cra-arc.gc.ca/E/pub/gi/gi-061/gi-061-e.pdf>

<sup>15</sup> BC will provide a rebate of 71.43% of the provincial portion of the HST, to a maximum of \$26,250, for new housing purchased as a primary residence. The rebate ensures that, on average, purchasers will pay no more provincial tax due to harmonization – that is, they will pay no more in provincial HST than is currently embedded as PST in the price of a new home. It is estimated that the embedded PST in new homes in BC is, on average, equal to about 2% of the price.

<sup>16</sup> Purchasers of eligible new homes over \$525,000 are eligible for a rebate of \$26,250.



## Health and Beauty

HEALTH AND BEAUTY	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Health Care Services Offered by a Medical Practitioner (e.g., Medical and Dental Services) <sup>17</sup>	No GST	No PST	No HST
Audiologist Services Offered by a Practitioner of the Service	No GST	No PST	No HST
Chiropractic Services Offered by a Practitioner of the Service	No GST	No PST	No HST
Physiotherapy Services Offered by a Practitioner of the Service	No GST	No PST	No HST
Massage Therapy Services	5%	No PST	Yes (changes to 12%)
Pharmacist Dispensing Fees	No GST	No PST	No HST
Over-the-Counter Medications	5%	No PST	Yes (changes to 12%)
Prescription Drugs	No GST	No PST	No HST
Some Medical Devices Including Walkers, Hearing Aids	No GST	No PST	No HST
Prescription Glasses and Contact Lenses	No GST	No PST	No HST
Feminine Hygiene Products	5%	No PST	No (remains 5%) <sup>18</sup>
Adult Incontinence Products	No GST	No PST	No HST
Cosmetics	5%	7%	No (remains 12%)
Hair Care Products (e.g., Shampoo, Conditioner, Styling Products)	5%	7%	No (remains 12%)
Dental Hygiene Products (e.g., Toothpaste, Toothbrushes, Floss)	5%	7%	No (remains 12%)
Vitamins	5%	No PST	Yes (changes to 12%)
Pill Boxes	5%	7%	No (remains 12%)
Blow Dryers	5%	7%	No (remains 12%)
Curling Irons	5%	7%	No (remains 12%)
Deodorants and Deodorizers	5%	7%	No (remains 12%)
Nail Care Products (e.g., Nail Polish, Nail Files)	5%	7%	No (remains 12%)
Perfume	5%	7%	No (remains 12%)
Shaving Supplies (e.g., Razors, Shaving Cream)	5%	7%	No (remains 12%)
Tanning Lotion	5%	7%	No (remains 12%)

<sup>17</sup> Other than for cosmetic purposes.

<sup>18</sup> For further detail, refer to <http://www.cra-arc.gc.ca/E/pub/gi/gi-062/gi-062-e.pdf>



## Memberships, Entertainment and Sports Equipment

MEMBERSHIPS, ENTERTAINMENT AND SPORTS EQUIPMENT	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Admission to Professional Sporting Events (e.g., Hockey, Football and Soccer Games)	5%	No PST	Yes (changes to 12%)
Movie Tickets	5%	No PST	Yes (changes to 12%)
Music Lessons	No GST	No PST	No HST
Music Instruments	5%	7%	No (remains 12%)
Skis and Snowboards	5%	7%	No (remains 12%)
Hockey Equipment	5%	7%	No (remains 12%)
Skates (e.g., Hockey, Figure, Inline)	5%	7%	No (remains 12%)
Safety Helmets for Sports (e.g., Hockey Helmets, Snowboard Helmets, Bike Helmets)	5%	No PST	Yes (changes to 12%)
Golf Clubs	5%	7%	No (remains 12%)
Golf Memberships	5%	No PST	Yes (changes to 12%)
Driving Range Fees	5%	No PST	Yes (changes to 12%)
Gym and Athletic Memberships	5%	No PST	Yes (changes to 12%)
Ballet, Karate, Trampoline, Hockey, Soccer Lessons etc.	5%	No PST	Yes <sup>19</sup> (changes to 12%)
Tickets for Live Theatre	5%	No PST	Yes <sup>20</sup> (changes to 12%)
Swim Fins and Swimming Goggles	5%	7%	No (remains 12%)
Bicycles	5%	No PST	Yes (changes to 12%)
Bicycle Accessories Purchased Separately	5%	7%	No (remains 12%)
Admission to Museums and Art Galleries	5%	No PST	Yes (changes to 12%)
Music Concerts	5%	No PST	Yes (changes to 12%)
Sports Equipment (e.g., Footballs, Soccer Balls, Baseball Bats, Free Standing Gymnastics Equipment)	5%	7%	No (remains 12%)

<sup>19</sup> These items are subject to HST, although some could be exempt from HST if provided by a public service body to children 14 and under and underprivileged individuals with a disability.

<sup>20</sup> Subject to HST, although some could be exempt if the maximum admission charged by a public service body is \$1 or less, if the admissions are made in the course of the fundraising events where charitable receipts for income tax purposes may be issued, or admissions are to amateur performances.



## Leases and Rentals

LEASES AND RENTALS	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Condo Fees	No GST	No PST	No HST <sup>21</sup>
Long-term Residential Accommodation	No GST	No PST	No HST
Hockey Rink and Hall Rentals	5%	No PST	Yes (changes to 12%)
Equipment Rentals (e.g., carpet cleaners, power washers)	5%	7%	No (remains 12%)
DVD/Video Cassette Rentals	5%	7%	No (remains 12%)



## Electronics

ELECTRONICS	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Televisions	5%	7%	No (remains 12%)
DVD and Blu-ray Players and Accessories	5%	7%	No (remains 12%)
Digital Cameras and Camcorders	5%	7%	No (remains 12%)
Cell Phones and Smart Phones	5%	7%	No (remains 12%)
CDs, DVDs, and Blu-ray Discs	5%	7%	No (remains 12%)
MP3 Players	5%	7%	No (remains 12%)
Music or Video MP3s Downloaded Electronically	5%	No PST	Yes (changes to 12%)
Video Game Consoles	5%	7%	No (remains 12%)
Video Games	5%	7%	No (remains 12%)
GPS Systems	5%	7%	No (remains 12%)
Laptops	5%	7%	No (remains 12%)
Desk Top Computers	5%	7%	No (remains 12%)
Printers and Fax Machines	5%	7%	No (remains 12%)
Stereos and Speakers	5%	7%	No (remains 12%)
Cables, Wires, and Connectors	5%	7%	No (remains 12%)
Projector Screens	5%	7%	No (remains 12%)
Headphones	5%	7%	No (remains 12%)
Marine Electronics (e.g., Marine Radios, GPS Systems, Speakers)	5%	7%	No (remains 12%)

<sup>21</sup> Residential condo association fees to residents are exempt; however, purchases by condominium corporations will be subject to HST, if applicable.





## Professional and Personal Services

PROFESSIONAL AND PERSONAL SERVICES	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Child Care Services	No GST	No PST	No HST
Legal Aid	No GST	No PST	No HST
Funeral Services	5%	No PST	Yes (changes to 12%)
Coffins and Urns Purchased Separately from Funeral Services	5%	7%	No (remains 12%)
Fitness Trainer	5%	No PST	Yes (changes to 12%)
Hair Stylist/Barber	5%	No PST	Yes (changes to 12%)
Esthetician Services (e.g., Manicures, Pedicures, Facials)	5%	No PST	Yes (changes to 12%)
Legal Services	5%	7%	No (remains 12%)
Accounting Services	5%	No PST	Yes (changes to 12%)
Interior Design Services	5%	No PST	Yes (changes to 12%)
Wedding Planning Services	5%	No PST	Yes (changes to 12%)
Veterinarian Services	5%	No PST	Yes (changes to 12%)
Professional Printed Photographs	5%	7%	No (remains 12%)
Furniture, Automotive and Marine Re-upholstery	5%	7%	No (remains 12%)



## Tobacco

TOBACCO	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Cigarettes	5%	No PST	Yes (changes to 12%)
Cigars	5%	No PST	Yes (changes to 12%)
Chewing Tobacco	5%	No PST	Yes (changes to 12%)
Nicotine Replacement Products	5%	No PST	Yes (changes to 12%)



## Banking and Investments

BANKING AND INVESTMENTS	GST-taxable before July 1, 2010	PST-taxable before July 1, 2010	Is there a change to the amount of tax payable under the HST?
Mortgage Interest Costs	No GST	No PST	No HST
Most Financial Services	No GST	No PST	No HST