

Ontario's Harmonized Sales Tax:

Are You Ready?

On July 1st, the HST comes into effect in Ontario, replacing the GST and PST. This is a follow up to our series of newsletters designed to help you make a smooth transition to the HST:

- Planning for Ontario's Harmonized Sales Tax
- Special HST newsletter for car dealerships

HAVE YOU CONSIDERED?

WIP Cut-Off: Do you have procedures in place to ensure a proper cut-off of work in progress at June 30 (which may be subject to GST only)?

Accounts Receivable: You may be required to collect the 13% HST (instead of GST) on any receivables unpaid as of November 1st.

Restricted ITCs: If you have annual revenues in excess of \$10 million, your input tax credits for certain expenses may be restricted. You should consult your tax advisor for details on how these rules will affect you and their impact on your record-keeping.

Cash Flow: Since PST exemption certificates will no longer be available after June 30th and HST will be due when billed and not when collected, you may need to consider the potential impact of these changes on your cash flow to ensure that you have sufficient financing available.

Final RST Returns: Final RST returns are due on July 23, 2010.

To access CRA's 74 (and growing) GST/HST Info Sheets on a variety of general, transaction - and industry - specific HST topics, please open the link below.

<http://www.cra-arc.gc.ca/menu/GHIS-e.html>

Please contact your accountant or tax advisor if you need more advice about your company's HST transition plans.