

General Information

Membership

Membership is defined as

- a right granted by a particular person (in this case, a PSB other than a registered charity) that entitles another person to services provided by, or to the use of facilities operated by, the particular person (these services or facilities are not available, or are not available to the same extent or for the same fee or charge, to persons that have not been granted the same rights as members);
- a right that is conditional on the acquisition or ownership of a share, bond, debenture, or other security.

Exempt or taxable memberships

Supplies of memberships in PSBs other than charities can be exempt or taxable.

Supplies of memberships in PSBs are **exempt** if they confer on their members the following benefits only:

- an indirect benefit that is intended to accrue to all members collectively;
- the right to receive services supplied by the PSB that are in the nature of investigating, conciliating or settling complaints or disputes involving members;
- the right to vote at or participate in meetings;
- the right to receive or acquire property and services supplied to members for a fee that is not part of the membership fee and that is equal to the fair market value of the property or services at the time the supply is made;
- the right to receive a discount for property or services supplied by the organization where the total value of all such discounts is insignificant (less than 30%) in relation to the membership fee;
- the right to receive periodic newsletters, reports, or other publications where
 - the value of the newsletters, reports and publications is insignificant (less than 30%) in relation to the membership fee; or
 - the newsletters, reports and publications provide information on the PSB's activities or financial status, except if their value is significant in relation to the membership fee and a fee is ordinarily charged to non-members for such documents.

Supplies of memberships in an authorized party are **exempt**. Such parties cannot elect to consider these memberships taxable. The term "authorized party" refers to a party, including any regional or local association of the party, a candidate or a referendum committee governed by an Act of the Legislature of Québec or of the Parliament of Canada that imposes requirements relating to election finances or referendum expenses.

Memberships in a club are **taxable** if the main purpose of the club is to provide dining, recreational or sporting facilities to its members.

Effect of this election

If a PSB elects to have its otherwise exempt memberships treated as taxable supplies, it must register for the GST/HST and QST, if it has not already done so, and collect the GST/HST and QST on its memberships. In addition, it must take this election into account when determining its filing frequency.

The PSB may be able to claim input tax credits or input tax refunds to recover the GST/HST or QST paid or payable on purchases and expenses related to the supply of memberships.

Duration of this election

This election will remain in effect until the PSB revokes it.

Effect of a revocation of this election

If a PSB revokes the election to have its otherwise exempt memberships treated as taxable supplies, it will no longer be able to collect the GST/HST and QST on its memberships as of the date on which the revocation takes effect. In addition, the PSB will no longer be entitled to claim input tax credits or input tax refunds to recover the GST/HST and QST paid or payable on purchases and expenses related to the supply of memberships.

Additional information

For more information, consult Revenu Québec's website at revenuquebec.ca. You can also call us at

- 514 873-4692 (Montréal area)
- 418 659-4692 (Québec City area)
- 1 800 567-4692 (toll-free)