

**REVENU
QUÉBEC**



Canada Revenue
Agency

Agence du revenu
du Canada

INFORMATION FOR NEW BUSINESSES

QST AND GST/HST

revenuquebec.ca



QST AND GST/HST

Registering for GST/HST and QST

Unless you are a small supplier,¹ you must register for the GST/HST if you carry on commercial activities in Canada and for the QST if you carry on commercial activities in Québec. If you are a small supplier, registration is optional.

You can register by:

- using the **Register a New Business** online service available at revenuquebec.ca;
- contacting us as shown on the back of this document;
- filing an *Application for Registration* (LM-1-V), which is also available on our website.

Collecting GST/HST and QST

- Once you are registered for the GST/HST and the QST, you must collect the taxes on every taxable sale you make.

Sales in Québec

- You must collect the GST (5%) and the QST (9.975%) on every taxable sale you make.
- You must calculate the GST and the QST on the selling price.

| Example | |
|-------------------------|-------------------|
| Sale of a taxable item: | |
| Item | \$100.00 |
| GST (\$100 × 5%) | + \$5.00 |
| QST (\$100 × 9.975%) | + \$9.98 |
| Total | = \$114.98 |

- When you make a taxable sale, you must inform your customer that you are charging the GST and QST.
- See document IN-203-V, *General Information Concerning the QST and the GST/HST*, for the specific rules for collecting GST and QST and the information to include in your invoices and other supporting documents.

Sales in Canada outside Québec

- You must apply the rules respecting the GST or the HST, depending on the province in which the sale is made. The HST applies in New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island. Go to our website for the HST rate in each.
- You must keep sufficient proof that the sale was made outside Québec (such as the carrier's bill of lading).

Sales outside Canada

- Generally speaking, you do not have to collect tax on sales made outside Canada.
- You must keep sufficient proof that the sale was made outside Canada (such as proof of delivery or export documentation).

Recovering the GST/HST and QST

- As a registrant, you can generally claim input tax credits (ITCs) and input tax refunds (ITRs) for the GST/HST and QST paid on goods and services purchased for your business activities.
- In order for you to claim ITCs and ITRs, certain information must appear on your suppliers' invoices. For more information, see IN-203-V.
- When the GST and the QST are included in the price, the amount of the taxes you paid can be determined as follows:

$$\text{GST} = \text{selling price including taxes} \times 5/114.975$$

$$\text{QST} = \text{selling price including taxes} \times 9.975/114.975$$

1. You are considered a small supplier if your taxable sales (including zero-rated sales and sales by your associates) for a given calendar quarter or the four preceding calendar quarters are \$30,000 or less. In some cases, you may have to register even if you meet the small supplier requirements. For more information, see document IN-202-V, *Registering with Revenu Québec*.



Filing GST/HST and QST returns

- As shown in the table below, the GST/HST and QST filing frequency is based on your and your associates' estimated total annual taxable sales in Canada. You can choose a filing frequency when you register the business or change it at any time by filing form FP-2620-V, *Election Respecting the GST/HST and QST Reporting Period*.

| Annual taxable sales | Filing frequency | Filing deadline |
|----------------------------|------------------|---|
| \$1,500,000 or less | Yearly | General rule: Three months after the last day of the reporting period. Sole proprietorships: June 15, if the fiscal period ends on December 31. Payment must be made by April 30. |
| \$1,500,001 to \$6,000,000 | Quarterly | |
| More than \$6,000,000 | Monthly | One month after the last day of the reporting period. |

- In your return, subtract your ITCs and ITRs from the GST/HST and QST you are reporting. If the result is positive, you have a balance due. If it is negative, you are entitled to a refund.
- You must file your return and make your payment by the deadline. You have to file a return even if your balance is nil.
- You can file your return and make your payment using our online services, clicSÉCUR express, authorized software or your financial institution's online payment service (only if you can file your return and pay your balance due in a single transaction). You can also pay at your financial institution using the remittance slip or mail us the slip and a cheque using the return envelope included with the return. Be sure to write your GST/HST and QST registration numbers on the cheque.
- If your business's total annual taxable sales in Canada exceed \$1,500,000, you must file your return electronically.
- Payments of \$50,000 or more must be made through a financial institution.

- You still have to file your GST/HST and QST return by the deadline even if you did not receive it or misplaced it. In this case, call us at one of the numbers on the back of this document.
- If you are mailing your return, **do not change** the information pre-printed on it. If corrections need to be made, contact us for instructions.
- If you expect your worldwide taxable sales to be less than \$400,000 (including GST and HST) for GST purposes or less than \$418,952 (including QST) for QST purposes, it may be to your advantage to use the Quick Method of Accounting (restrictions apply). For more information, see IN-203-V or the Tax Reduction Calculator available on our website. To use the Quick Method to calculate GST/HST and QST, you must file form FP-2074-V, *Election or Revocation of Election Respecting the Quick Method of Accounting*.

Additional information

- As a registrant, you must keep track of the tax collected and paid in the course of your business activities. You must also keep your registers and the documents substantiating them for six years after the last year they concern.
- Be sure to include your GST/HST account number and your QST identification and file numbers in all correspondence you send us.
- You must keep a copy of all documents you send us.
- You must always sign the documents you send us. To authorize someone else (such as your accountant) to sign documents in order to make changes to or access information about your file, file form MR-69-V, *Authorization to Communicate Information or Power of Attorney*.
- To cancel or modify your registration, file form LM-1.A-V, *Request for Cancellation or Variation of Registration*.
- If your business status changes (for example, from sole proprietorship to corporation), you must apply for a new GST/HST account number and new QST identification and file numbers. You must also cancel the previous entity's registration.



TO CONTACT US

Online

revenuquebec.ca



By telephone

Information for businesses, employers and mandataries

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10 a.m. to 4:30 p.m.

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

Services for the hearing-impaired

| | |
|--------------|----------------------------|
| Montréal | Elsewhere |
| 514 873-4455 | 1 800 361-3795 (toll-free) |

By mail

Businesses, employers and mandataries

Montréal, Laval, Laurentides, Lanaudière, Montérégie, Estrie and Outaouais

Direction principale des relations
avec la clientèle des entreprises

Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

Québec City and other regions

Direction principale des relations
avec la clientèle des entreprises
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

This document was prepared in collaboration with the Canada Revenue Agency.



Canada Revenue Agency
Agence du revenu
du Canada

This publication is provided for information purposes only. It does not constitute a legal interpretation of the *Excise Tax Act*, the *Act respecting the Québec sales tax* or any other legislation.

Cette publication est également disponible en français et s'intitule *Aide-mémoire pour les entreprises en démarrage – La TVQ et la TPS/TVH* (IN-256).