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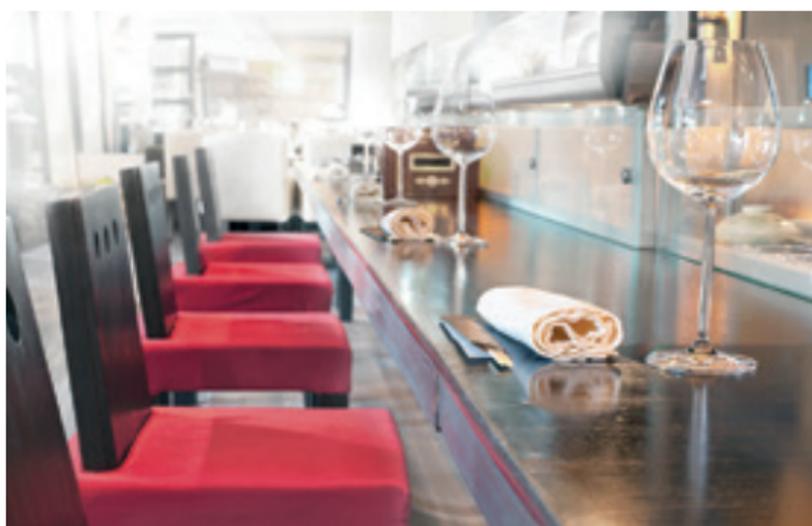
**INSPECTIONS
IN BARS
AND RESTAURANTS**

Mandatory Billing

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Revenu Québec carries out inspections and auditing activities to ensure that tax rules and obligations are complied with and applied.

This brochure sets forth Revenu Québec's guidelines with regard to inspection activities in the restaurant sector. It also describes the role and responsibilities of inspectors, and the obligations of operators of restaurant establishments.



In this brochure, the term “operator” is generally used to designate an owner of a restaurant, bar or catering service. Persons to whom the two following statements apply must also comply with the obligations that apply to restaurant establishment operators:

- The person ordinarily sells property or services in such establishments (or at the entrance or near such establishments) where alcoholic beverages are provided under a permit authorizing the sale of alcoholic beverages served, without food, for consumption on the premises.
- The person enters into a contract with the operator of the establishment or with a person related to the operator with respect to the sale of the property or services.

Context

Revenu Québec's inspectors ensure compliance with tax rules and obligations by carrying out auditing activities in various economic sectors, such as the restaurant sector. Inspections are done throughout the year in restaurant establishments across Québec.

General principle

Inspectors can show up in restaurant establishments at any time, without prior notice, in order to verify compliance with tax laws. During these visits, inspectors collect information and examine how operators and their staff do things. Inspectors can also ask to check records and supporting documents.

Responsibilities of inspectors

Inspectors must:

- communicate clearly and concisely;
- presume that operators or their authorized representatives are acting in good faith;
- process files in a fair and equitable manner;
- refer operators or their authorized representatives to the Revenu Québec staff that can answer any questions the inspectors cannot answer; and
- complete mandates in a methodical and timely manner.

Obligations of operators

Operators must:

- maintain records as well as documents supporting the information contained in the records;
- retain records and supporting documents for six years following the year to which they pertain; and
- keep records and supporting documents at their place of business, their residence or any other location designated by Revenu Québec.

In addition, operators must immediately provide each client with a bill on which all prescribed information is shown. Moreover, if the operator is a QST registrant, the operator must:

- use a sales recording module (SRM) to produce all of the establishment's bills once the SRM is activated; and
- use an SRM to send Revenu Québec a *Sommaire périodique des ventes* (periodic sales summary) every month.

Failure to provide a bill to a client or to use an SRM where the operator is required to do so constitutes an offence under tax laws.

Special provisions apply to the supply of property or services in an establishment where alcoholic beverages are provided under a permit authorizing the sale of such beverages served, without food, for consumption on the premises. For the details of these provisions, see document IN-575-V, *Mandatory Billing Information*, which is available on our website.

Inspection process

When a Revenu Québec inspector visits a restaurant establishment, the operator or representative must, on request:

- allow the inspector to enter, at any convenient time, any location where:
 - the business is operated or property is kept,
 - commercial activities are carried on,
 - records are (or should be) kept;
- make cash registers, point-of-sale systems, SRMs or any other device available to the inspector so that he or she may retrieve, process, collect or extract information required for the purposes of the inspection;
- allow the inspector to consult the records and supporting documents in the format (paper or electronic) in which they are kept;
- supply the inspector with all the documents and information he or she requests for the purposes of the inspection; and
- provide any reasonable assistance the inspector may need during the inspection.

An operator or representative must never hinder the work of an inspector.



Penalties, fines and sanctions

Certain omissions or actions on the part of an operator may result in administrative penalties ranging from \$100 to \$300.

Below are a few examples of such actions.

- An operator fails to produce a bill containing the prescribed information.
- An operator fails to produce a bill using an SRM where an SRM has been activated in the restaurant establishment.
- An operator fails to give a bill to a client immediately. Note, however, that when making a supply of a beverage not accompanied by a food item in an establishment covered by a liquor permit, the operator must give a bill to the client by the time payment is required or by the time the beverage is served, whichever comes later.
- An operator fails to record in an SRM the information relating to the payment method for a bill immediately after receiving the payment. Note that the operator can use the "Autre" (other) payment method before receiving payment, except where a beverage is sold, with food, at a place covered by a liquor permit authorizing the sale of alcoholic beverages without food.
- An operator fails to keep a copy of a bill.
- An operator fails to keep a copy of the business's menus or similar documents when generic terms (such as "daily special No. 1" or "table d'hôte No. 2") are used on bills. The menus or similar documents must describe in sufficient detail the food and beverages that correspond to the terms used and provide the price of each menu item and the date. The term "various" cannot be used in a description.



- An operator prints a bill produced using an SRM more than once, without marking the bill “Copie du commerçant” (merchant copy) or “Réimpression” (reprint).
- An operator has an SRM that is not sealed at all times.
- An operator fails to notify Revenu Québec or to immediately have a new seal affixed if the seal on an SRM is broken.
- An operator opens or repairs an SRM, or affixes a seal on an SRM without being authorized to do so.

In addition, such omissions or actions are offences for which an operator (or any person with the same obligations as an operator) is liable to fines ranging from \$300 to \$100,000 (depending on the offence), which may, in some cases, be combined with a term of imprisonment of up to 6 months.



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

TO CONTACT US

Online

revenuquebec.ca

By telephone

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

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City: **418 652-6014**

Montréal: **514 287-2014**

Elsewhere: **1 855 271-0519** (toll-free)



Cette publication est également disponible en français et s'intitule
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