



Canada Revenue  
Agency

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du Canada

# Quick Method of Accounting for GST/HST

## Is this guide for you?

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This guide explains how to use the quick method of accounting. It does not apply to qualifying non-profit organizations, municipalities, hospital authorities, charities, and most universities, public colleges and school authorities. If your organization is one of these, go to [canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/complete-file-quick-method.html](https://canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/complete-file-quick-method.html).

### **GST/HST and Quebec**

In Quebec, Revenu Québec generally administers the GST/HST. If the physical location of your business is in Quebec, you have to file your returns with Revenu Québec using its forms, unless you are a person that is a selected listed financial institution (SLFI) for GST/HST or Quebec Sales Tax (QST) purposes or both. For more information, see the Revenu Québec publication IN-203-V, General Information Concerning the QST and the GST/HST, available at [revenuquebec.ca](https://revenuquebec.ca). If you are an SLFI, go to [canada.ca/gst-hst-financial-institutions](https://canada.ca/gst-hst-financial-institutions).

Our publications and personalized correspondence are available in braille, large print, e-text, or MP3 for those who have a visual impairment. For more information, go to [canada.ca/cra-multiple-formats](https://canada.ca/cra-multiple-formats) or call **1-800-959-5525**.

Unless otherwise stated, all legislative references are to the Excise Tax Act and the General Excise and Sales Tax Regulations.

This guide uses plain language to explain the most common tax situations. It is provided for information only and does not replace the law.

La version française de ce guide est intitulée La méthode rapide de comptabilité pour la TPS/TVH.

## What's new?

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We list the major changes below. This guide contains information based on proposed amendments to the Excise Tax Act and Regulations. At the time of publication, these proposed amendments were not law. The publication of this guide should not be taken as a statement by the Canada Revenue Agency (CRA) that such amendments will in fact become law in their current form. If they become law as proposed, they will be effective as of the dates indicated. For more information on these and other changes, see the areas outlined in colour in this guide.

### **GST/HST Covid-19 – Deferring GST/HST remittances and payments**

The CRA announced measures on March 27, 2020, to help businesses manage certain GST/HST payments, remittances and returns. For more information, see “Deferral of GST/HST Tax Remittances: CRA and COVID-19” on page 18.

### **Digital services for businesses**

Authorized representatives can now register for online mail on behalf of their business clients by entering an email address when filing a GST/HST NETFILE return. For more information, see page 17.

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## Definitions

**Associated person**, for GST/HST purposes, generally refers to a situation where one person controls another.

Associated persons (referred to generally as “associates”) may include:

- two or more corporations
- an individual and a corporation
- a person and a partnership or trust
- two persons, if they are associated with the same third person

**Capital asset** generally means property that is, or would be, capital property under the Income Tax Act, and includes property that, before January 1, 2017, was, or would have been, eligible capital property for income tax purposes.

**Eligible capital property** generally means property that does not physically exist but that gives you a lasting economic benefit. Some examples are goodwill, or franchises, concessions, or licenses for an unlimited period.

**Participating province** means a province that has harmonized its provincial sales tax with the GST to implement the harmonized sales tax (HST). Participating provinces include New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island, but do not include the Nova Scotia offshore area or the Newfoundland offshore area except to the extent that offshore activities, as defined in subsection 123(1) of the Excise Tax Act, are carried on in that area.

**Permanent establishment** of a person generally means:

- the person’s fixed place of business through which the person supplies property or services, including a place of management, a branch, an office, a factory, or a workshop; or a mine, an oil or gas well, a quarry, timberland, or any other place where natural resources are extracted
- a fixed place of business of someone else (other than a broker or an agent) who is acting in Canada for the person and through whom the person supplies property or services in the ordinary course of business

**Place of business** means any premises, facility, or installation used to carry on business, whether or not it is used exclusively for that purpose. Premises, facilities, or installations may be considered to be a place of business whether they are owned or rented, or, in some cases, where they are simply available to the business.

**Supply** means the provision of property or a service in any way, including sale, transfer, barter, exchange, licence, rental, lease, gift, or disposition.

**Zero-rated supplies** are supplies of property and services that are taxable at a rate of 0%. This means there is no GST/HST charged on these supplies, but GST/HST registrants may be eligible to claim input tax credits (ITCs) for the GST/HST paid or payable on property and services acquired, imported, or brought into a participating province for consumption, use or supply in the course of their commercial activities.

## The quick method of accounting

The **quick method** is another accounting option available to help small businesses calculate their net tax for GST/HST purposes. This method reduces paperwork and makes it easier to calculate GST/HST remittances and file GST/HST returns because it eliminates the need to report the actual GST/HST paid or payable on most purchases.

When using the quick method, you still charge the GST at the rate of 5% or the HST at the applicable rate on your taxable supplies of property and services. For the list of applicable GST/HST rates, go to [canada.ca/gst-hst](https://canada.ca/gst-hst) and select “GST/HST calculator (and rates)” under “Most requested.” To calculate the amount of GST/HST to remit, multiply the revenue from your supplies (including the GST/HST) for the reporting period by the quick method remittance rate, or rates, that apply to your situation.

The remittance rates of the quick method are less than the applicable rates of GST/HST that you charge. This means that you remit only a part of the tax that you collect, or that is collectible. Since you cannot claim ITCs on most of your purchases when you use this method, the part of the tax that you keep accounts for the approximate value of the ITCs you would otherwise have claimed. For more information, see “What are your quick method remittance rates?” on page 8.

### Note

Whether the quick method will be more beneficial for you to use than the regular method depends on your specific situation.

## Who can make this election?

You can use the quick method if you meet **all** of the following conditions:

- You have been in business continuously throughout the 365-day period ending immediately before your current reporting period (if you are a new registrant, see “New registrants” on the next page).
- You did **not** revoke an election of the **quick method** or the **simplified method for claiming ITCs** during that 365-day period.
- You are **not** a business type listed under “Exceptions” on the next page.
- Your revenues (including the GST/HST) from annual worldwide taxable supplies, (including zero-rated supplies) **and those of your associates**, are not more than \$400,000 for either the period consisting of the first four consecutive fiscal quarters out of your last five fiscal quarters, or the period consisting of the last four fiscal quarters out of your last five fiscal quarters. When you calculate your annual worldwide taxable supplies, exclude revenues from supplies of financial services and sales of real property, capital assets, goodwill from the sale of a business, and, before January 1, 2017, eligible capital property.

You must have a permanent establishment in Canada to use the quick method. Certain registrants **cannot** use the quick method, including lawyers (or law offices),

accountants, bookkeepers, financial consultants, and listed financial institutions.

## Exceptions

Business types that **cannot** use the quick method:

- persons that provide bookkeeping, financial consulting, tax consulting, or tax return preparation services in the course of the person’s commercial activity
- persons that provide legal, accounting, or actuarial services in the course of their professional practice
- listed financial institutions
- charities
- public institutions
- non-profit organizations with at least 40% government funding in the year (qualifying non-profit organizations)
- municipalities or local authorities designated as a municipality
- public colleges, school authorities, or universities, that are established and operated other than for profit
- hospital authorities, facility operators, or external suppliers

### Note

A **special quick method** is available to certain qualifying non-profit organizations, selected public service bodies, specified facility operators and designated charities. For more information, go to [canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/complete-file-quick-method.html](https://canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/complete-file-quick-method.html).

## Example

ABC Shoe Store is a GST/HST registrant located in Calgary, Alberta, where it has operated for the last five years and makes all of its supplies. It files quarterly GST/HST returns and has always used the regular method to calculate its net tax. ABC Shoe Store is not a type of business listed under “Exceptions” above. They would like to use the quick method beginning April 1, 2020.

ABC Shoe Store’s worldwide taxable sales (including the GST/HST) for the last five fiscal quarters are as follows:

ABC Shoe Store Calgary, Alberta		
Taxable sales (including the GST/HST) for the fiscal quarters ending:		
March 31, 2019	\$ 78,000	
June 30, 2019	\$ 118,000	\$ 118,000
September 30, 2019	\$ 128,000	\$ 128,000
December 31, 2019	\$ 70,000	\$ 70,000
March 31, 2020		\$ 86,000
<b>Total for four consecutive quarters</b>	<b>\$ 394,000</b>	<b>\$ 402,000</b>

The total sales (including the GST/HST) for the first four fiscal quarters (ending December 31, 2019) was \$394,000.

The total sales (including the GST/HST) for the last four fiscal quarters (ending March 31, 2020) was \$402,000.

Since at least **one** of the periods of four consecutive fiscal quarters out of the five most recent fiscal quarters has GST/HST-included sales that are not more than \$400,000, ABC Shoe Store can elect to start using the quick method on April 1, 2020.

## New registrants

If you have not been in business continuously for the past year but you are an eligible type of business, you may be eligible to use the quick method. You can elect to use the quick method if, in your first full year of business, you can reasonably expect your revenues from worldwide taxable supplies, and those of your associates, to be \$400,000 or less.

## When can you make the election?

If you file **annual** GST/HST returns, you have to make the election by the first day of your second fiscal quarter.

If you file **monthly or quarterly** GST/HST returns, you have to make your election by the due date of the return for the reporting period in which you begin using the quick method.

You can start using the quick method on the effective date you indicate to us. This date has to be the first day of a GST/HST reporting period.

If you previously elected to use the quick method and have revoked that election, you have to wait at least one year from the date the revocation became effective before you can elect to use the quick method again.

## How do you elect to use the quick method?

You can elect to use the quick method by using our online services in:

- My Business Account at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account), if you are a business owner
- Represent a Client at [canada.ca/taxes-representatives](https://canada.ca/taxes-representatives), if you are an authorized representative or employee

You can also elect to use the quick method by filling out Form GST74, Election and Revocation of an Election to Use the Quick Method of Accounting.

## How long does the election stay in effect?

Generally, the election stays in effect as long as the total annual revenue (including the GST/HST) from your worldwide taxable supplies (including zero-rated supplies), and those of your associates, does not exceed \$400,000, or until you become a person that cannot use the quick method because of the type of business you carry on (see “Exceptions” on this page).

Do **not** include revenues from supplies of financial services and sales of real property, capital assets, goodwill from the

sale of a business, and, before January 1, 2017, eligible capital property.

If your election is no longer in effect, you have to start accounting for the GST/HST using the regular method:

- at the beginning of your next fiscal year if **both** of the following conditions apply:
  - you file annual returns
  - in your current fiscal year, you exceed the \$400,000 threshold or become a person that cannot use the quick method because of the type of business you carry on
- at the beginning of your second fiscal quarter of a fiscal year if **all** of the following conditions apply:
  - you file monthly or quarterly returns
  - your election to use the quick method **was** in effect at the beginning of that fiscal year
  - you exceeded the \$400,000 threshold in your previous fiscal year
- at the beginning of your next fiscal quarter if **all** of the following conditions apply:
  - you file monthly or quarterly returns
  - your election to use the quick method **was not** in effect at the beginning of the fiscal year
  - you exceeded the \$400,000 threshold in **both** the first four and the last four consecutive quarters of the previous five fiscal quarters
- at the beginning of a fiscal quarter if **both** of the following conditions apply:
  - you file monthly or quarterly returns
  - you become a person that cannot use the quick method because of the type of business you began to carry on in the fiscal quarter

**Note**

At the end of each fiscal year, make sure that your business is still eligible to use the quick method for the following year. Also make sure that the same category of rates applies to your business. Base your calculations on supplies made in the fiscal year that just ended.

**Example**

XYZ Clothing Store Winnipeg, Manitoba	
Taxable sales (including the GST/HST) for the quarters ending:	
March 31, 2019	\$ 92,000
June 30, 2019	\$ 98,000
September 30, 2019	\$ 103,000
December 31, 2019	\$ 123,000
<b>Total sales for fiscal year ended December 31, 2019</b>	<b>\$ 416,000</b>

XYZ Clothing Store is a quarterly filer and used the quick method throughout 2019. To see how long its election

would stay in effect, the store had to review its taxable sales (including the GST/HST) for the previous fiscal year. Since its worldwide taxable sales for 2019 were more than \$400,000, it had to stop using the quick method at the **end** of the first fiscal quarter of 2020. This means it had to start calculating its GST/HST remittance using the regular method on April 1, 2020.

## When and how can you revoke the election?

You can revoke the election only **after** your quick method election has been in effect for at least one year.

You can revoke the election by using our online services in:

- My Business Account at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account), if you are a business owner
- Represent a Client at [canada.ca/taxes-representatives](https://canada.ca/taxes-representatives), if you are an authorized representative or employee

You can also revoke the election by filling out Form GST74, Election and Revocation of an Election to Use the Quick Method of Accounting.

You have to revoke the election by the due date of the GST/HST return for the last reporting period for which you want to use the quick method.

If you revoke the election, **you have to wait at least one year** before you can elect to use the quick method again.

If you stop using the quick method, you cannot claim ITCs for any tax paid or payable on purchases you made while using it, other than the ITCs you would have been entitled to claim, but did not claim, while you were using the quick method.

## Books and records

When you fill out your GST/HST return using the quick method, you do not have to indicate the actual GST/HST that you charged on most of your taxable supplies or the GST/HST paid or payable on most of your business purchases. However, you still have to keep all books and records related to your business purchases and your supplies for six years after the year they relate to. These have to be made available to the CRA’s auditors on request.

## How does the quick method work?

When you use the quick method, you still charge the GST at 5% or the HST at the applicable rate on your supplies of taxable property and services (other than zero-rated supplies), but you remit only a portion of that tax.

The HST rate can vary from one participating province to another. For the list of all applicable GST/HST rates, go to [canada.ca/gst-hst](https://canada.ca/gst-hst) and select “GST/HST calculator (and rates)” under “Most Requested.”

The net tax you have to remit is calculated using the applicable quick method remittance rates. Usually only one of these rates will apply to your business. For more

information, see “What are your quick method remittance rates?” on this page.

You cannot claim ITCs for most of your purchases when you use the quick method. This is because the part of the tax that you keep accounts for the approximate value of the ITCs you would otherwise have claimed. For more information, see “Claiming input tax credits” on this page.

## Supplies not eligible for the quick method calculation

The quick method calculation applies to most of your supplies of property and services. However, certain supplies you make are not eligible for this calculation. If you make a supply that is not eligible, you do not use a remittance rate to calculate how much tax you have to remit. Instead, you have to account for such a supply the same way you would if the election were not in effect. For example, if you make a supply that is not eligible and you charge 5% GST, you have to report the full amount of tax charged instead of using a quick method remittance rate.

The following supplies are **not** eligible for the quick method calculation:

- supplies on which the customer does not have to pay the tax, such as:
  - zero-rated supplies
  - supplies made outside Canada
  - certain supplies to Indians
- sales of real property
- sales of capital assets
- sales of eligible capital property (before January 1, 2017)
- supplies you made as an agent or auctioneer for which you must account for the tax paid
- supplies of property or services you made to an employee or shareholder for which you must account for tax on the value of the supplies and that is to be included in the individual’s income as a taxable benefit for income tax purposes
- supplies of property (other than capital property) or services for which you had to self-assess tax because you appropriated property or services for the personal benefit of yourself, a shareholder, a beneficiary, a partner, a member of your organization, or related persons
- supplies of property or services for which you had to self-assess tax because you received a reimbursement under a warranty for property or services you acquired, and you were entitled to claim an ITC or rebate

## Claiming input tax credits

You can claim any ITCs to which you are entitled for the following **only**:

- purchases of real property and improvements to real property

- purchases of capital property (other than real property), such as computers and vehicles, and improvements to capital property
- purchases of eligible capital property and improvements to eligible capital property (before January 1, 2017)
- purchases on which GST/HST became payable **before** your quick method election took effect, if the time limit to claim the amounts has not expired
- goods sold by an auctioneer or an agent on your behalf where the auctioneer or agent has to account for the tax
- goods you are considered to have bought to use only in your commercial activities if **both** of the following apply:
  - a non-resident, who is not registered for the GST/HST, transferred them to you, after paying tax on them
  - you provided a commercial service on the goods and then sold them, acting as an agent for the non-resident and collecting the GST/HST

## What are your quick method remittance rates?

Most businesses use only one remittance rate. The rate that applies depends on whether you make taxable supplies of property or services in a participating or non-participating province, and whether you make the supplies through a permanent establishment that is located in a participating or non-participating province. The type of business you are involved in is also a factor. For example, a business that provides mostly services generally has to use a different remittance rate than a business that is involved mostly in purchasing goods for resale.

In some cases, a business may have to use more than one remittance rate. For example, if a business makes supplies in both participating **and** non-participating provinces, more than one rate may apply. For more information, see chart “GST/HST quick method remittance rates for businesses that purchase goods for resale, based on the province where the permanent establishment (PE) of a business is located” on the next page.

### Note

The information in this section **does not** apply to the supplies listed in “Supplies not eligible for the quick method calculation” on this page.

## Remittance rates for businesses that purchase goods for resale

Generally, retailers and wholesalers who purchase goods for resale use the first group of remittance rates. To be eligible to use these rates, the cost (including the GST/HST) of goods you purchased in your previous fiscal year for resale, or to use in goods you produce or manufacture for sale, must be at least 40% of your total revenue from annual taxable supplies (including the GST/HST) for that fiscal year. Do **not** include the annual taxable supplies of your associates in this calculation.



**Note**

If you began to use the quick method in your current fiscal year, your calculations should be based on your purchases and taxable supplies from either the first four or the last four consecutive quarters of the previous five quarters, instead of from your previous fiscal year.

Exclude **purchases** of basic groceries and purchases for which you are not required to pay tax from your calculation of the cost of goods you purchased.

Exclude **supplies** of basic groceries, financial services, and sales of real property, capital assets, goodwill from the sale of a business, and, before January 1, 2017, eligible capital property, as well as goods that you sold on behalf of

someone else by auction from your calculation of your total annual taxable supplies, but **include** sales made by an auctioneer on your behalf.

The following are examples of businesses that may use this group of quick method remittance rates:

- antique dealers
- grocery and convenience stores
- art and craft shops
- boutiques and novelty stores
- service stations (gas)

<b>GST/HST quick method remittance rates for businesses that purchase goods for resale, based on the province where the permanent establishment (PE) of a business is located</b>				
	<b>Column 1: PE located where GST at 5% applies</b>	<b>Column 2: PE located where HST at 13% applies</b>	<b>Column 3: PE located where HST at 14% applies</b>	<b>Column 4: PE located where HST at 15% applies</b>
<b>Supplies where GST at 5% applies</b>	1.8%	0% (and 2.8% credit)	0% (and 3.4% credit)	0% (and 4.0% credit)
<b>Supplies where HST at 13% applies</b>	8.8%	4.4%	3.9%	3.3%
<b>Supplies where HST at 14% applies</b>	9.6%	5.3%	4.7%	4.2%
<b>Supplies where HST at 15% applies</b>	10.4%	6.1%	5.6%	5.0%

If your business gives a point-of-sale rebate for sales of qualifying publications in the participating provinces, you can use the **1.8%** remittance rate for those sales if your cost of goods for resale is at least 40% of your total annual taxable sales (including the GST/HST but not including sales made by your associates). Qualifying publications include a printed book or an update of such a book, an audio recording, all or substantially all (90% or more) of which is a spoken reading of a printed book, and a bound or unbound printed version of scripture of any religion.

**Note**

A point-of-sale rebate is available on books in Newfoundland and Labrador until December 31, 2016, and again, as of January 1, 2018. For more information, see Guide RC4022, General Information for GST/HST Registrants.

Use the “Applicable rates” table on the next page to determine which column to use in the above table.

<b>Applicable rates</b>		
<b>If the permanent establishment of your business is in:</b>	<b>During the following periods:</b>	<b>Use:</b>
<b>Alberta</b>	■ On or after January 1, 2008	■ Column 1
<b>British Columbia</b>	■ On or after January 1, 2008, and before July 1, 2010; and on or after April 1, 2013	■ Column 1
<b>Manitoba</b>	■ On or after January 1, 2008	■ Column 1
<b>New Brunswick</b>	■ On or after July 1, 2016	■ Column 4
<b>Newfoundland and Labrador</b>	■ On or after July 1, 2016	■ Column 4
<b>Northwest Territories</b>	■ On or after January 1, 2008	■ Column 1
<b>Nunavut</b>	■ On or after January 1, 2008	■ Column 1
<b>Nova Scotia</b>	■ On or after July 1, 2010	■ Column 4
<b>Ontario</b>	■ On or after July 1, 2010	■ Column 2
<b>Prince Edward Island</b>	■ On or after October 1, 2016	■ Column 4
<b>Saskatchewan</b>	■ On or after January 1, 2008	■ Column 1
<b>Yukon</b>	■ On or after January 1, 2008	■ Column 1

## Remittance rates for businesses that provide services

The next group of remittance rates is for businesses that do not qualify to use the first group of remittance rates, mentioned in the previous section. Generally, these rates are to be used by small businesses that provide services.

The following are examples of businesses that may use this group of remittance rates:

- delivery services
- dry cleaners
- auto repair shops
- quick-service food outlets
- house-cleaning services
- campgrounds
- caterers
- delicatessens
- painting contractors
- photographers
- taxi drivers

<b>GST/HST quick method remittance rates for businesses that provide services, based on the province where the permanent establishment (PE) of a business is located</b>				
	<b>Column 1: PE located where GST at 5% applies</b>	<b>Column 2: PE located where HST at 13% applies</b>	<b>Column 3: PE located where HST at 14% applies</b>	<b>Column 4: PE located where HST at 15% applies</b>
<b>Supplies where GST at 5% applies</b>	3.6%	1.8%	1.6%	1.4%
<b>Supplies where HST at 13% applies</b>	10.5%	8.8%	8.6%	8.4%
<b>Supplies where HST at 14% applies</b>	11.3%	9.6%	9.4%	9.2%
<b>Supplies where HST at 15% applies</b>	12.0%	10.4%	10.2%	10.0%

If your business gives a point-of-sale rebate for sales of qualifying publications in the participating provinces, use the 3.6% remittance rate for those sales. Qualifying publications include a printed book or an update of such a book, an audio recording, all or substantially all (90% or more) of which is a spoken reading of a printed book, and a bound or unbound printed version of scripture of any religion.

**Note**

A point-of-sale rebate is available on books in Newfoundland and Labrador until December 31, 2016, and again, as of January 1, 2018. For more information, see Guide RC4022, General Information for GST/HST Registrants.

Use the “Applicable rates” table on the previous page to determine which column to use in the above table.

## **Do you make supplies in both participating and non-participating provinces?**

If you make supplies in both participating and non-participating provinces, you normally have to use more than one remittance rate. However, special rules apply when **90% or more** of the eligible supplies you made in a reporting period were in either a participating province or a non-participating province. These rules are as follows:

- If 90% or more of the eligible supplies you made through a permanent establishment in a reporting period were made in a participating province, only use the rate that you would have to use if all eligible supplies were made in the participating province.
- If 90% or more of the eligible supplies you made through a permanent establishment in a reporting period were made in non-participating provinces, only use the rate that you would have to use if all eligible supplies were made in a non-participating province.

If neither of these situations applies to you, you may have to use more than one remittance rate unless 90% or more of the eligible supplies you made through a permanent establishment in a reporting period were made in participating provinces that have the same HST rate.

## **Credit of 1% on the first \$30,000 of revenue from your eligible supplies**

In calculating your net tax using the quick method, you are entitled to a 1% credit on the first \$30,000 of revenue from your eligible supplies (including the GST/HST) on which you must collect the GST at 5% or the HST at the applicable rate (see the chart on page 10) in **each** fiscal year.

To qualify for the 1% credit, your quick method election must be in effect at the beginning of a fiscal year, or if you are a new registrant, on the day you became a registrant.

If you file monthly or quarterly GST/HST returns, the 1% credit applies to the first and the following reporting periods of a fiscal year until you reach the \$30,000 threshold, or the fiscal year ends. If you file annual GST/HST returns, use the 1% credit on your first \$30,000 of revenue from your eligible supplies in that fiscal year.

If the 0% remittance rate applies to your eligible sales, you are entitled to the 1% credit in addition to the credit given to businesses that purchase goods for resale (for more information, see the remittance rates chart on page 9).

**Note**

If you do not make \$30,000 in revenue from eligible supplies in a fiscal year, you cannot carry forward any unused portion of the credit to a later fiscal year.

## Special situations

### Self-assessment of the provincial part of the HST

In some cases, you may have to self-assess the provincial part of the HST, but you cannot use the quick method calculation to do so. Self-assessment may be required in the following situations:

- You bring goods into a participating province from another province.
- You have goods delivered or made available to you in a participating province by a non-resident who is not registered for GST/HST purposes.
- You are a resident of a participating province and you acquire, in a non-participating province, intangible personal property (IPP) or a service for consumption, use or supply in participating provinces.
- You import commercial goods into a participating province.
- You import services, or IPP that is not acquired for consumption, use or supply exclusively (90% or more) in the course of your commercial activities in the participating provinces.

#### Note

If you import services, or IPP that is not acquired for consumption, use, or supply exclusively in the course of your commercial activities, you may have to self-assess the GST or the HST, at the applicable rate.

If you have to self-assess any amount of the GST/HST, report the amount on **line 405** of your GST/HST return.

For more information on self-assessment, see:

- Guide RC4022, General Information for GST/HST Registrants
- Notice 266 – For discussion purposes only – Draft GST/HST Technical Information Bulletin, Harmonized Sales Tax – Self-assessment of the provincial part of HST in respect of property and services brought into a participating province

### Bad debts

When you use the quick method to calculate your net tax, you cannot make adjustments to your net tax for bad debts, except for supplies that are not eligible for the quick method calculation.

### Credit adjustments

If you give a customer a credit, refund, or rebate because you reduced the price of a good or a service that is eligible for the quick method calculation (see page 8 for a list of supplies that are **not eligible**), deduct the amount of the credit, refund, or rebate from the amount of your revenue from total eligible supplies **before** calculating your net tax using the remittance rate. This adjustment should be made for the reporting period during which you credited or paid the amount to your customers.

## Trade-ins

If you use the quick method, you have to include in your sales calculations any amount credited to a purchaser for a trade-in. For example, you sell a pair of skates for \$100 and accept a used pair of skates as a trade. You give a credit of \$35 for the new skates. You have to include \$100 in the total eligible sales for your net tax calculation.

### Changes in the nature of your business

If your business adds a new service, purchases the operations of another firm, or significantly changes its product lines or sales patterns, you have to determine your eligibility to continue using the quick method and the remittance rates that apply to your eligible supplies.

If the nature of your business changes, see “Who can make this election?” on page 5 to determine if you are still a person who can use the quick method. If you are no longer eligible, see “How long does the election stay in effect?” on page 6 to determine when you have to start calculating your GST/HST remittance using the regular method.

## Filling out your GST/HST return using the quick method

If you only have to use one remittance rate, follow these steps. Only fill out the lines of the return that apply to you.

If you have to use more than one remittance rate, follow these instructions separately for **each** rate.

### Line 101 – Sales and other revenue

For each reporting period, add your revenues from taxable supplies (include the GST/HST at the rate that applied at that time) and enter the total on **line 101**, rounded off to the nearest dollar.

Do **not** include the following on **line 101**:

- revenue from supplies that are not eligible for the quick method calculation (see “Supplies not eligible for the quick method calculation” on page 8)
- revenue from supplies on which no GST/HST was charged (such as zero-rated supplies, exempt supplies, supplies made outside Canada, or goods and services sold to Indians)
- provincial sales tax, if you had to charge the GST

#### Note

If you file your return electronically using the quick method, do **not** choose the option to fill out new lines 90, 91, and 102.

### Line 103 – GST/HST collected or collectible

**Step 1:** Multiply the total you entered on **line 101** by the remittance rate that applies for that reporting period. To determine the applicable rate, see “What are your quick method remittance rates?” on page 8.

**Step 2:** Calculate the GST/HST you collected, or that became collectible on your taxable supplies that are **not** eligible. For a list of these supplies, see “Supplies not eligible for the quick method calculation” on page 8.

**Step 3:** Add the amounts from Step 1 and Step 2 and enter the result in your **line 105** calculation if you are filing a return electronically or enter it on **line 103** of your paper return.

## Line 104 – Adjustments

Enter the total of any adjustments to be added to the net tax for the reporting period (for example, the GST/HST you obtained on the recovery of a bad debt from supplies that are **not eligible** for the quick method calculation) and include it in your **line 105** calculation if you are filing a return electronically or on **line 104** of your paper return.

## Line 105 – Total GST/HST and adjustments for period

Add the amounts on **lines 103** and **104**, and enter the result on **line 105**.

## Line 106 – Input tax credits (ITCs)

Add any amounts that you are eligible to claim as an ITC and enter the total in your **line 108** calculation if you are filing a return electronically or on **line 106** of your paper return. See “Claiming input tax credits” on page 8 for a list of the purchases and expenses for which you are still eligible to claim ITCs. The quick method remittance rates already take into account the ITCs for operating expenses and inventory purchases. Do **not** include any GST/HST paid or payable on these types of costs.

If the 0% remittance rate applies to your eligible supplies, add the applicable credit (see the chart on page 8) for those supplies (including the GST) and enter the total in your **line 108** calculation if you are filing a return electronically or on **line 106** on your paper return.

## Line 107 – Adjustments

If you are entitled to the 1% credit on the first \$30,000 of revenue from your eligible supplies, enter the amount of the credit in your **line 108** calculation if you are filing a return electronically or on **line 107** of your paper return. For more information, see “Credit of 1% on the first \$30,000 of revenue from your eligible supplies” on page 11.

Also enter the total of any adjustments to be deducted when determining the net tax for the reporting period (for example, the GST/HST included in a bad debt from supplies that are **not eligible** for the quick method calculation).

## Line 108 – Total ITCs and adjustments

Add the amounts on **lines 106** and **107**, and enter the result on **line 108**.

## Line 109 – Net tax

Subtract the amount on **line 108** from the amount on **line 105** and enter the result on **line 109**. If the result is negative, enter a minus sign in the box next to the line number.

## Line 110 – Instalment and other annual filer payments

Enter any instalment and other annual filer payments you made for the reporting period on **line 110**.

## Line 111 – Rebates

Enter the total amount of GST/HST rebates **only** if the rebate form indicates that you can claim the amount on **line 111**. If you have entered an amount on **line 111**, attach the rebate application to the GST/HST return.

### Note

The rebate application is only attached to the return when filing a paper return. If you are filing electronically, the rebate application must be mailed separately (or submitted electronically if available) by the due date of the return.

## Line 112 – Total other credits

Add the amounts on **lines 110** and **111**, and enter the result on **line 112**.

## Line 113 A – Balance

Subtract the amount on **line 112** from the amount on **line 109** and enter the result on **line 113 A**. If the result is negative, enter a minus sign in the box next to the line number.

## Line 205 – GST/HST due on purchases of real property or purchases of emission allowances

If you purchased taxable real property (other than a purchase of a residential complex by an individual) or taxable carbon emission allowances and have to remit the GST/HST on these purchases, enter the amount of that GST/HST on **line 205**.

## Line 405 – Other GST/HST to be self-assessed

Enter the applicable amount of GST/HST you have to self-assess when you bring property or a service into a participating province, or when you import commercial goods, services, or intangible property into Canada. For more information, see “Self-assessment of the provincial part of the HST” on page 12.

## Line 113 B – Total other debits

Add the amounts on **lines 205** and **405**, and enter the result on **line 113 B**.

## Line 113 C – Balance

Add the amounts on **lines 113 A** and **113 B** and enter the result on **line 113 C**. If the result is negative, enter a minus sign (-) in the box next to the line number.

## Line 114 – Refund claimed

If the amount entered on **line 113 C** is negative, enter this amount on **line 114** to claim your refund.

### Note

Generally, we do not charge or refund a difference of \$2 or less.

## Line 115 – Payment enclosed

If the amount on **line 113 C** is positive, enter this amount on **line 115**. If you file a **paper return**, enter this amount on the return portion (Part 2) that you will send to us. Enclose a cheque for this amount.

You can make your remittance online using My Payment. For more information, go to [canada.ca/cra-my-payment](http://canada.ca/cra-my-payment). You can also pay electronically using your financial institution's internet or telephone banking service.

If you choose not to pay electronically and are not enclosing a cheque with your return, use Form RC158, Payment on Filing Remittance Voucher, to make your payment.

### Example

Al and Bob's Lumber Yard sold goods in both a participating and a non-participating province through their permanent establishment in Ontario.

Al and Bob's Lumber Yard Hamilton, Ontario	
Annual purchases and sales for 2019	
Total purchases related to goods for resale (including the GST/HST)	\$ 63,000
Total annual taxable sales (including the GST/HST)	\$140,000
Percentage of purchases to sales	45%
First quarter sales for 2020	
Total eligible sales, including the GST, made in Winnipeg, Manitoba, through the permanent establishment in Hamilton (20% of lumber sales)	\$ 9,000
Total eligible sales, including the HST, made in Hamilton through the permanent establishment in Hamilton (80% of lumber sales)	\$ 36,000
<b>Total eligible sales</b> (Al and Bob's Lumber Yard would enter this amount on line 101 of its GST/HST return)	<b>\$ 45,000</b>

This company used the quick method throughout 2019.

In 2019, the company's annual worldwide taxable sales (including the GST/HST) were not more than \$400,000. This means that the company can continue to use the quick method in 2020.

The company's 2019 purchases (including the GST/HST) of goods for resale were more than 40% of the total annual taxable sales (including the GST/HST).

For the first quarter of 2020, the company has to use two different remittance rates because it has sales in Ontario (a participating province), **and** in Manitoba (a non-participating province) and it does not make at least 90% of its total taxable sales in **one** of these provinces.

The remittance rate for the eligible sales made in Manitoba is 0%. The remittance rate for the eligible sales made in Ontario is 4.4%. This company can deduct a credit of 2.8% for the eligible sales made in Manitoba.

Quick method calculation for Al and Bob's Lumber Yard	
Calculation of GST/HST remittance in first quarter of 2020	
Multiply the eligible sales made in Manitoba (\$9,000), including the GST, by the 0% remittance rate	\$ 0
Multiply the eligible sales made in Ontario (\$36,000), including the HST, by the 4.4% remittance rate	\$ 1,584
(Al and Bob's Lumber Yard would enter the total of these two amounts on line 103 of its GST/HST return)	
Deduct 2.8% for the \$9,000 eligible sales made in Manitoba (Al and Bob's Lumber Yard would enter this amount on line 106 of its GST/HST return)	\$ (252)
Deduct 1% for the first \$30,000 of eligible sales (Al and Bob's Lumber Yard would enter this amount on line 107 of its GST/HST return)	\$ (300)
<b>First quarter remittance</b> (Al and Bob's Lumber Yard would enter this amount on line 115 of its GST/HST return)	<b>\$ 1,032</b>

## Publications and forms

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We offer a wide range of publications in both official languages. For a list of all GST/HST publications, go to [canada.ca/gst-hst-pub](https://canada.ca/gst-hst-pub).

- Pamphlets and booklets are available on a variety of subjects.
- Guides contain more detailed information on how the GST/HST affects specific types of businesses and organizations.
- Info Sheets provide explanations on specific topics.
- GST/HST Memoranda give more in-depth technical information on administrative and policy aspects of the GST/HST, and are aimed at tax professionals.
- GST/HST Notices provide explanations on recent changes.
- Technical Information Bulletins announce changes to GST/HST legislation and administrative policy in specific areas.

Revenu Québec administers the GST/HST in Quebec. If the physical location of your business is located in Quebec, contact Revenu Québec, unless you are a person that is a selected listed financial institution (SLFI) for GST/HST or QST purposes or both. If you are an SLFI, go to [canada.ca/gst-hst-financial-institutions](https://canada.ca/gst-hst-financial-institutions).

## Forms

There are a number of options available to businesses and organizations to make it easier to comply with the GST/HST. These options, called **elections** or **applications**, allow you to adapt the administrative requirements of the GST/HST to your own business activity. While some options are available to all registrants, other options are available only to organizations and businesses that meet certain conditions.

Other forms are used to remit an amount of tax. They are called returns or remittance vouchers.

## Elections

You can make an election if you meet all the eligibility criteria.

You are responsible for ensuring that you meet the conditions of the election. At the time of an audit, we reserve the right to verify your eligibility and to disallow an election if you have not met the requirements.

## Applications

Applications are different from elections. You have to meet the necessary requirements. For many applications, you can call the CRA or fill out the form and mail it to us. We have to acknowledge that we have processed and approved your application before you can begin to use the procedure you have applied for.

## Digital services

### GST/HST electronic filing and remitting

You have several options for filing your GST/HST return or remitting an amount owing electronically. For more information, go to [canada.ca/gst-hst](https://canada.ca/gst-hst).

### Handling business taxes online

Use the CRA's digital services for businesses throughout the year to:

- make payments to the CRA online with My Payment or a pre-authorized debit agreement, or create a QR code to pay in person at Canada Post
- file a return, view the status of filed returns, and adjust returns online
- submit documents to the CRA
- authorize a representative for online access to your business accounts
- register to receive email notifications and to view mail from the CRA in My Business Account
- manage addresses
- manage direct deposit information
- file an election
- view and pay account balance
- calculate a future balance
- transfer payments and immediately view updated balances
- make an online request regarding your account and view answers to common enquiries
- send an audit enquiry

To log in to or register for the CRA's digital services, go to:

- My Business Account at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account), if you are a business owner
- Represent a Client at [canada.ca/taxes-representatives](https://canada.ca/taxes-representatives), if you are an authorized representative or employee

For more information, go to [canada.ca/taxes-business-online](https://canada.ca/taxes-business-online).

### CRA BizApp

CRA BizApp is a mobile web app for small business owners and sole proprietors. The app offers secure access to

view accounting transactions, pay outstanding balances, make interim payments, and more.

You can access CRA BizApp on any mobile device with an Internet browser—no app stores needed! To access the app, go to [canada.ca/cra-mobile-apps](https://canada.ca/cra-mobile-apps).

### Receiving your CRA mail online

Sign up for email notifications to get most of your CRA mail, like your notice of assessment, online.

For more information, go to [canada.ca/cra-business-email-notifications](https://canada.ca/cra-business-email-notifications).

### Authorizing the withdrawal of a pre-determined amount from your Canadian chequing account

Pre-authorized debit (PAD) is a secure, online self-service payment option for individuals and businesses. This option lets you set the payment amount you authorize the CRA to withdraw from your Canadian chequing account to pay your tax on a specific date or dates you choose. You can set up a PAD agreement using the CRA's secure My Business Account service at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account), or the CRA BizApp at [canada.ca/cra-mobile-apps](https://canada.ca/cra-mobile-apps). PADs are flexible and managed by you. You can use My Business Account to view historical records and modify, cancel, or skip a payment. For more information, go to [canada.ca/pay-authorized-debit](https://canada.ca/pay-authorized-debit).

### Electronic payments

Make your payment using:

- your financial institution's online or telephone banking services
- the CRA's My Payment service at [canada.ca/cra-my-payment](https://canada.ca/cra-my-payment)
- your credit card through one of the CRA's third-party service providers
- PayPal through one of the CRA's third-party service providers
- pre-authorized debit at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account)

For more information, go to [canada.ca/payments](https://canada.ca/payments).



## For more information

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### What if you need help?

If you need more information after reading this guide, go to [canada.ca/taxes](http://canada.ca/taxes) or call 1-800-959-5525.

### Direct deposit

Direct deposit is a fast, convenient, and secure way to get your CRA payments directly into your account at a financial institution in Canada. For more information and ways to enrol, go to [canada.ca/cra-direct-deposit](http://canada.ca/cra-direct-deposit).

### Forms and publications

The CRA encourages electronic filing of your return. If you require a paper version of our forms and publications, go to [canada.ca/cra-forms-publications](http://canada.ca/cra-forms-publications) or call 1-800-959-5525.

### Ordering personalized remittance forms

The following personalized remittance forms are not available on our website. The CRA only provides them in a pre-printed format:

- RC158, Remittance Voucher – Payment on Filing
- RC159, Remittance Voucher – Amount Owing
- RC160, Remittance Voucher – Interim Payments
- RC177, Remittance Voucher – Balance Due

You can order these remittance vouchers online, using:

- My Business Account at [canada.ca/my-cra-business-account](http://canada.ca/my-cra-business-account), if you are a business owner
- Represent a Client at [canada.ca/taxes-representatives](http://canada.ca/taxes-representatives), if you are an authorized representative or employee

### Electronic mailing lists

The CRA can notify you by email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to [canada.ca/cra-email-lists](http://canada.ca/cra-email-lists).

### Tax Information Phone Service (TIPS)

For personal and general tax information by telephone, use our automated service, TIPS, by calling 1-800-267-6999.

### Teletypewriter (TTY) users

If you have a hearing or speech impairment and use a TTY, call 1-800-665-0354.

If you use an **operator-assisted relay service**, call our regular telephone numbers instead of the TTY number.

### GST/HST rulings and interpretations

You may request a ruling or interpretation on how the GST/HST applies to a specific transaction for your operations. This service is provided free of charge. For the mailing address or fax number of the closest GST/HST rulings centre, see GST/HST Memorandum 1-4, Excise and GST/HST Rulings and Interpretations Service, or call 1-800-959-8287

### Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA; see the Taxpayer Bill of Rights.

If you are not satisfied with the service you received, try to resolve the matter with the CRA employee you have been dealing with or call the telephone number provided in the CRA's correspondence. If you do not have contact information, go to [canada.ca/cra-contact](http://canada.ca/cra-contact).

If you still disagree with the way your concerns were addressed, you can ask to discuss the matter with the employee's supervisor.

If you are still not satisfied, you can file a service complaint by filling out Form RC193, Service Feedback. For more information and how to file a complaint, go to [canada.ca/cra-service-feedback](http://canada.ca/cra-service-feedback).

If the CRA has not resolved your service complaint, you can submit a complaint with the Office of the Taxpayers' Ombudsperson.

### Formal disputes (objections and appeals)

You can file a formal dispute or objection if you think the CRA misinterpreted the facts of your tax situation or applied the tax law incorrectly.

For more information about objections or formal disputes, go to [canada.ca/cra-complaints-disputes](http://canada.ca/cra-complaints-disputes).

### Reprisal complaints

If you have previously submitted a service-related complaint or requested a formal review of a CRA decision and feel that, as a result, you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, Reprisal Complaint.

For more information about complaints and disputes, go to [canada.ca/cra-complaints-disputes](http://canada.ca/cra-complaints-disputes).

### Due dates

When the due date falls on a Saturday, Sunday, or public holiday recognized by the CRA, your return is considered on time if the CRA receives it or if it is postmarked on the next business day.

For more information, go to [canada.ca/taxes-dates-individuals](http://canada.ca/taxes-dates-individuals).

## Cancel or waive penalties or interest

The CRA administers legislation, commonly called taxpayer relief provisions, that allows the CRA discretion to cancel or waive penalties or interest when taxpayers cannot meet their tax obligations due to circumstances beyond their control.

The CRA's discretion to grant relief is limited to any period that ended within 10 calendar years before the year in which a request is made.

For penalties, the CRA will consider your request only if it relates to a tax year or fiscal period ending in any of the 10 calendar years before the year in which you make your request. For example, your request made in 2020 must relate to a penalty for a tax year or fiscal period ending in 2010 or later.

For interest on a balance owing for any tax year or fiscal period, the CRA will consider only the amounts that accrued during the 10 calendar years before the year in which you make your request. For example, your request made in 2020 must relate to interest that accrued in 2010 or later.

To make a request, fill out Form RC4288, Request for Taxpayer Relief – Cancel or Waive Penalties or Interest. For more information about relief from penalties or interest and how to submit your request, go to [canada.ca/taxpayer-relief](https://canada.ca/taxpayer-relief).

## Deferral of GST/HST Tax Remittances: CRA and COVID-19

There is no extension of the relief that was announced by the CRA on March 27, 2020 which allowed all businesses to defer, until June 30, 2020, any GST/HST payments or remittances that became owing on or after March 27, 2020, and before July 2020.

Businesses must therefore make these payments and remittances and file these returns by June 30, 2020. Interest will apply to outstanding remittances and payments, and penalties will apply to outstanding returns, effective July 1, 2020.

Businesses that are continuing to experience difficulty in making a GST/HST remittance or payment or filing a GST/HST return can contact the CRA to make a request for the cancellation of penalties and interest, and/or for a flexible payment arrangement.

### Note

The deadline for businesses to file their returns is unchanged. Those who are able to, should continue to file their GST/HST returns on time reporting their net tax for the reporting period to help facilitate tax compliance and administration. However, recognizing the difficult circumstances faced by businesses, the CRA won't impose penalties where a return is filed late provided that it is filed by June 30, 2020.

For more information, go to [canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html.121](https://canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html.121).