



**One University. One World. Yours.**

<b>Name:</b>	<b>Budget Control – Harmonized Sales Tax (HST)</b>
Policy Number:	4-2008
Origin:	Financial Services
Approved:	1 March 1993
Issuing Authority:	Director, Financial Services
Responsibility:	Manager, Financial Planning
Effective Date	1 September 2007
Revision Date(s):	1 July 1997 1 September 2007

---

Purchases made by the University are subject to the Harmonized Sales Tax (H.S.T.). However, the University is entitled to rebates ranging from 67% to a full rebate (called an input tax credit) on all H.S.T. paid. A partial rebate is given when the purchase is in support of exempt supplies such as tuition, residence fees, etc. and an input tax credit is given when the purchase is in support of taxable supplies such as bookstore sales, memberships in the Tower, etc. In all cases, departments will be charged the net cost of H.S.T.

**Example 1** - When we purchase \$1,000.00 of classroom supplies, we will have to pay \$1,130.00 (\$1,000.00 plus 13%) and then make a claim to the Government for the rebate of \$87.10 ( $\$130.00 \times 67\%$ ). The net cost to the department is \$1,042.90 ( $\$1,000.00 + [130.00 - 87.10]$ ). In other words, the effective rate of H.S.T. for exempt areas is 4.29% for this example.

**Example 2** - When we purchase \$1,000.00 worth of bookstore supplies, we will have to pay \$1,130.00 ( $\$1,000 + 13\%$ ) and make a claim to the Government for the input tax credit of \$130.00. The net cost to the department is \$1,000.00.