

BUSINESS • GST/HST

GST/HST Registration & Filing Guide

When you must register, what to charge, what you can claim back, and when to file.

THE SHORT VERSION

Register once your taxable revenue passes \$30,000. Charge the rate for the province where your customer receives the supply. Claim back the GST/HST you paid on business purchases. File and pay on the schedule the CRA assigns you. The detail below is where most of the cost of getting this wrong sits.

What GST/HST is

GST is the federal Goods and Services Tax, charged at 5%. In provinces that have harmonised their sales tax with the federal system, the two are combined into a single HST. In Ontario the HST rate is 13%. Rates differ by province, and in non-harmonised provinces a separate provincial sales tax may apply alongside the 5% GST.

You are collecting the tax on behalf of the government. It is not revenue. The amount you collect, less the tax you paid on business purchases, is what you remit.

When you must register

THE SMALL SUPPLIER THRESHOLD

You must register once your worldwide taxable revenue exceeds \$30,000. The threshold is tested two ways, and either one triggers registration.

- Your total taxable revenue exceeded \$30,000 over the four most recent consecutive calendar quarters
- Your total taxable revenue exceeded \$30,000 in a single calendar quarter

The date your obligation begins differs between those two tests, and the consequences of registering late include having to remit tax you never charged your customers. If you are approaching \$30,000, speak to us before you cross it rather than afterwards.

CASES WHERE THE THRESHOLD DOES NOT PROTECT YOU

- ☐ Taxi and commercial ride-sharing services — generally must register regardless of revenue
- ☐ Non-resident suppliers of certain digital products and services to Canadian customers
- ☐ Certain sales of real property

REGISTERING LATE IS THE EXPENSIVE MISTAKE

If you were required to register and did not, you remain liable for the tax that should have been charged on your sales during that period — whether or not you collected it from your customers. Interest and penalties may also apply. This is the single most common and most costly GST/HST error we see in new businesses.

Registering voluntarily below the threshold

In favour	Against
You can recover GST/HST paid on start-up costs, equipment and supplies	You must charge tax, which raises your price to non-registered customers
Registered business customers do not mind — they claim it back	You take on filing obligations and the penalties for missing them
Looks established to commercial clients	Once registered you cannot simply stop when it suits you
Useful where your inputs are heavily taxed relative to your sales	Administrative work every reporting period

The balance usually turns on whether your customers are businesses or consumers, and how much GST/HST you pay on your own costs. We can model it for your situation.

How to register

Registration creates an RT account under your Business Number. If you do not yet have a Business Number, one is issued as part of the process.

- ☐ Legal name and, if different, operating name
- ☐ Business Number, if you already have one
- ☐ Business activity description
- ☐ Expected annual revenue
- ☐ Fiscal year end
- ☐ Effective date of registration — this matters, and should be chosen deliberately
- ☐ Preferred reporting period, where you have a choice

We can guide you through registration, but the application must be made by an authorised representative of the business.

Filing frequency

The CRA assigns a reporting period based on your annual taxable revenue. Generally:

Annual taxable revenue	Assigned period	You may elect
\$1.5 million or less	Annual	Monthly or quarterly
More than \$1.5 million up to \$6 million	Quarterly	Monthly
More than \$6 million	Monthly	No election available

These thresholds are the general assignment rules and can change. The CRA confirms your reporting period in writing when you register; tell us if you receive a notice changing it, as your deadlines change with it.

Filing more often than required is sometimes worth it. A business in a regular refund position — typically one making zero-rated or export sales — receives its refunds sooner on a monthly period.

Filing and payment deadlines

Reporting period	Return due	Payment due
Monthly	One month after the end of the period	Same as the return
Quarterly	One month after the end of the period	Same as the return
Annual — most businesses	Three months after the fiscal year end	Same as the return
Annual — individual with a December 31 year end	June 15	April 30
Instalments, where required	Quarterly	One month after each quarter end

FILE EVEN WHEN THERE IS NOTHING TO REPORT

A nil return still has to be filed. A missed return can result in penalties and, more disruptively, the CRA may withhold refunds or hold up other filings until the account is up to date. Filing nil is a two-minute job; sorting out a delinquent account is not.

Input tax credits — claiming the tax you paid

You can generally recover the GST/HST you paid on purchases made to earn taxable revenue. These are input tax credits, and they reduce what you remit.

WHAT YOU NEED ON FILE

- ☐ Supplier name, and their GST/HST registration number
- ☐ Date of the invoice and the amount paid
- ☐ The amount of GST/HST charged, shown separately or the rate stated
- ☐ Description sufficient to identify the supply

NO SUPPLIER REGISTRATION NUMBER, NO CLAIM

The CRA can and does deny input tax credits where the supporting invoice lacks the supplier's GST/HST number. A credit card slip alone is generally not enough. If a supplier issues you a bare receipt, ask for a proper invoice at the time — chasing it a year later rarely works.

WHERE CREDITS ARE RESTRICTED OR UNAVAILABLE

- Purchases used personally, in the personal proportion
- Meals and entertainment, restricted in the same proportion as the income tax deduction
- Club memberships and certain recreational facilities
- Purchases relating to exempt supplies rather than taxable ones
- Passenger vehicles, where the recoverable amount is subject to prescribed limits

The Quick Method

Smaller businesses may be eligible to elect the Quick Method. Instead of tracking input tax credits in detail, you remit a prescribed percentage of your tax-included sales and keep the difference, with a small additional credit on part of your revenue.

- Simpler, with much less bookkeeping around purchase invoices
- Often advantageous for service businesses with low taxable costs
- Usually worse for businesses that buy a lot of taxable goods or equipment
- Eligibility depends on a revenue limit, and the election must be filed — it does not apply automatically
- Not available to certain professions and business types

The remittance rates differ by province and by whether you sell goods or services, and the eligibility limit changes from time to time. We will tell you whether the election is worth making in your case and file it for you.

Taxable, zero-rated and exempt

Category	You charge	You can claim input tax credits
Taxable	GST or HST at the applicable rate	Yes
Zero-rated — for example basic groceries, most exports, prescription drugs	Tax at 0%	Yes
Exempt — for example most residential rent, most health and dental services, many educational services	No tax	No

The distinction between zero-rated and exempt matters greatly: both mean no tax to your customer, but only one lets you recover the tax on your own costs. If you are unsure which category your supplies fall into, ask before you register.

Which rate to charge

The rate generally depends on the province where the customer receives the supply, not where your business is located. An Ontario business supplying a customer in Alberta typically charges 5%, not 13%. The place-of-supply rules differ between goods, services and intangibles, and are genuinely intricate.

Exports outside Canada are generally zero-rated, but the conditions must be met and documented.

THIS IS WORTH GETTING RIGHT FROM THE START

Charging the wrong rate across a year of invoices is time-consuming and awkward to correct, and the shortfall is yours to fund. If you sell across provinces or internationally, let us confirm your rates before you issue the first invoice.

Send us this each period

- ☐ Total sales for the period, and GST/HST collected
- ☐ Total purchases, and GST/HST paid
- ☐ Bank statements covering the period
- ☐ Invoices for any capital purchases
- ☐ Details of sales to other provinces or outside Canada

- ☐ Confirmation of any bad debts written off
- ☐ Any CRA correspondence about the RT account

The problems we see most often

- Crossing \$30,000 without noticing, then registering months late
- Rideshare drivers assuming the \$30,000 threshold applies to them
- GST/HST collected and spent as though it were revenue, leaving no funds at remittance time
- Input tax credits claimed on invoices with no supplier registration number
- Nil returns not filed, resulting in penalties on a zero balance
- Charging Ontario HST to customers in other provinces
- Treating exempt supplies as zero-rated, and claiming credits that are not available

Questions

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IMPORTANT — PLEASE READ

This checklist is general guidance prepared by PPND Taxation & Financial Services Inc. for the convenience of our clients. It is not tax, legal, or accounting advice for your particular situation, and it is not a complete statement of the law. Filing deadlines, rates, thresholds, and reporting requirements change; always confirm the current-year position with us before acting. GST/HST rates, thresholds, place-of-supply rules and election limits change, and the treatment of a particular supply depends on its specific facts. If your circumstances are unusual or you are unsure whether something applies to you, contact us before filing.