

# What's Taxable Under the HST and What's Not?

## Answering your questions about Ontario's Harmonized Sales Tax

Here are examples of common products and services and how they will be affected by the HST.

### CLOTHING AND FOOTWEAR:



|                      | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|----------------------|---------------------------------|---------------------------------|---|
| Adult Clothing       | 5%                              | 8%                              | No (remains 13%)  |
| Children's Clothing  | 5%                              | No PST                          | No (remains 5%)   |
| Shoe Repair Service  | 5%                              | 8%                              | No (remains 13%)  |
| Children's Footwear  | 5%                              | No PST if \$30 or less          | No for footwear up to size 6 (remains 5%)                     |
| Tailoring Services   | 5%                              | 8%                              | No (remains 13%)  |
| Dry Cleaning Service | 5%                              | No PST                          | Yes (changes to 13%)  |

### FOOD AND BEVERAGES:



#### Did You Know?

6.6 million families and individuals in Ontario will receive sales tax transition benefits in three instalments over one year beginning in June 2010.

|  | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|--|---------------------------------|---------------------------------|---|
| Basic Groceries (e.g., Dairy, Meat, Vegetables, Canned Goods)  | No GST                          | No PST                          | No HST  |
| Snack Foods (e.g., Chips, Pop)                                 | 5%                              | 8%                              | No (remains 13%)  |
| Qualifying Prepared Food and Beverages Sold for \$4.00 or Less | 5%                              | No PST                          | No (remains 5%)   |
| Restaurant Meals for More than \$4.00                          | 5%                              | 8%                              | No (remains 13%)  |
| Alcoholic Beverages  | 5%                              | 10-12%                          | HST 13% <sup>1</sup>  |

<sup>1</sup> Although sales tax on alcohol is decreasing, other alcohol fees and taxes are changing to continue to support social responsibility.

## HOME SERVICES:



### Did You Know?

93 per cent of all homes sold in Ontario, on average, will not be subject to an additional tax amount under HST.

|  | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|--|---------------------------------|---------------------------------|---|
| Cable Television Services  | 5%                              | 8%                              | No (remains 13%)  |
| Cell Phone Services  | 5%                              | 8%                              | No (remains 13%)  |
| Municipal Water  | No GST                          | No PST                          | No HST  |
| Home Maintenance Equipment   | 5%                              | 8%                              | No (remains 13%)  |
| Home Phone Services  | 5%                              | 8%                              | No (remains 13%)  |
| Home Service Calls to Repair Free-Standing Appliances such as Stoves, Refrigerators, Washers, Dryers, and Televisions                      | 5%                              | 8%                              | No (remains 13%)  |
| Home Insurance   | No GST                          | 8%                              | No (remains 8%)   |
| Cleaning Services  | 5%                              | No PST                          | Yes (changes to 13%)  |
| Electricity and Heating (e.g., Natural Gas/Oil for Home)   | 5%                              | No PST                          | Yes (changes to 13%)  |
| Internet Access Services   | 5%                              | No PST                          | Yes (changes to 13%)  |
| Home Service Calls by Electrician/Plumber/Carpenter to Maintain or Repair Furnace, Leaky Faucets, Bathtub, Toilet, Electrical Wiring, etc. | 5%                              | No PST                          | Yes (changes to 13%)  |
| Landscaping, Lawn-Care and Private Snow Removal  | 5%                              | No PST                          | Yes (changes to 13%)  |

## ACCOMMODATION, TRAVEL AND PASSENGER TRANSPORTATION SERVICES:



|   | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|---|---------------------------------|---------------------------------|---|
| Luggage, Briefcases, Bags, etc.   | 5%                              | 8%                              | No (remains 13%)  |
| Commercial Parking  | 5%                              | 8%                              | No (remains 13%)  |
| Municipal Public Transit  | No GST                          | No PST                          | No HST  |
| GO Transit  | No GST                          | No PST                          | No HST  |
| Air travel originating in Ontario and terminating in the U.S. <sup>2</sup>                    | 5%                              | No PST                          | No (remains 5%)   |
| Air travel originating in Ontario and terminating outside of Canada and the U.S. <sup>3</sup> | No GST                          | No PST                          | No HST  |
| Rail, boat and bus travel originating in Ontario and terminating outside of Canada            | No GST                          | No PST                          | No HST  |
| Hotel Rooms   | 5%                              | 5%                              | Yes (changes to 13%)  |
| Taxis   | 5%                              | No PST                          | Yes (changes to 13%)  |
| Camp Sites  | 5%                              | No PST                          | Yes (changes to 13%)  |
| Domestic air, rail, boat and bus travel originating in Ontario                                | 5%                              | No PST                          | Yes (changes to 13%)  |

<sup>2</sup> Includes air travel terminating in the French islands of St. Pierre and Miquelon but does not include air travel terminating in Hawaii.

<sup>3</sup> Includes air travel terminating in Hawaii but does not include air travel terminating in the French islands of St. Pierre and Miquelon.

## AROUND THE HOUSE:



### Did You Know?

The comprehensive tax package provides Ontarians with \$11.8 billion in tax relief over three years.

|  | GST-taxable before<br>July 1, 2010 | PST-taxable before<br>July 1, 2010 | Is there a change to the<br>amount of tax payable<br>under the HST? |
|--|------------------------------------|------------------------------------|---|
| Cleaning Products  | 5%                                 | 8%                                 | No (remains 13%)  |
| Laundry Detergent, Fabric Softeners                                | 5%                                 | 8%                                 | No (remains 13%)  |
| Household Furniture  | 5%                                 | 8%                                 | No (remains 13%)  |
| Refrigerators and Freezers   | 5%                                 | 8%                                 | No (remains 13%)  |
| Pre-Packaged Computer Software                                     | 5%                                 | 8%                                 | No (remains 13%)  |
| Books  | 5%                                 | No PST                             | No (remains 5%)   |
| Audio Books  | 5%                                 | 8% <sup>4</sup>                    | Yes (changes to 5%)   |
| Newspapers   | 5%                                 | No PST                             | No (remains 5%)   |
| Office Supplies, Stationery  | 5%                                 | 8%                                 | No (remains 13%)  |
| Landscaping Materials<br>including Sod, Seeds, Plants              | 5%                                 | 8%                                 | No (remains 13%)  |
| Linens (e.g., Blankets, Towels,<br>Sheets)                         | 5%                                 | 8%                                 | No (remains 13%)  |
| Tents, Sleeping Bags, Camping<br>Supplies                          | 5%                                 | 8%                                 | No (remains 13%)  |
| Tools  | 5%                                 | 8%                                 | No (remains 13%)  |
| Patio Furniture  | 5%                                 | 8%                                 | No (remains 13%)  |
| Pet Food   | 5%                                 | 8%                                 | No (remains 13%)  |
| Barbeques, Lawnmowers,<br>Snowblowers, Sprinklers                  | 5%                                 | 8%                                 | No (remains 13%)  |
| Toys (e.g., Puzzles, Games, Action<br>Figures, Dolls, Playsets)    | 5%                                 | 8%                                 | No (remains 13%)  |
| Outdoor Play Equipment<br>(e.g., Swing Sets, Sandboxes,<br>Slides) | 5%                                 | 8%                                 | No (remains 13%)  |
| Craft Supplies   | 5%                                 | 8%                                 | No (remains 13%)  |
| Building Materials (e.g., Lumber,<br>Concrete Mix)                 | 5%                                 | 8%                                 | No (remains 13%)  |
| Magazines Purchased at Retail                                      | 5%                                 | 8%                                 | No (remains 13%)  |
| Magazines Purchased by<br>Subscription                             | 5%                                 | No PST                             | Yes (changes to 13%)  |
| Home Renovations   | 5%                                 | No PST                             | Yes (changes to 13%)  |

<sup>4</sup> Qualified purchasers (including schools, libraries and persons who are legally blind) may be eligible for an exemption from PST.

## MOTORIZED VEHICLES:



|  | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|--|---------------------------------|---------------------------------|---|
| Vehicle Parts                                  | 5%                              | 8%                              | No (remains 13%)  |
| Short-Term Auto Rentals                        | 5%                              | 8%                              | No (remains 13%)  |
| Lease of a Vehicle                             | 5%                              | 8%                              | No (remains 13%)  |
| Child Car Seats and Booster Seats              | 5%                              | No PST                          | No (remains 5%)   |
| Auto Insurance                                 | No GST                          | No PST                          | No HST  |
| Labour Charges to Repair Vehicle               | 5%                              | 8%                              | No (remains 13%)  |
| Oil Change                                     | 5%                              | 8%                              | No (remains 13%)  |
| Tires  | 5%                              | 8%                              | No (remains 13%)  |
| Window Repair                                  | 5%                              | 8%                              | No (remains 13%)  |
| Purchase of Vehicle from Dealer                | 5%                              | 8%                              | No (remains 13%)  |
| Boats  | 5%                              | 8%                              | No (remains 13%)  |
| Snowmobiles                                    | 5%                              | 8%                              | No (remains 13%)  |
| Recreational Vehicles                          | 5%                              | 8%                              | No (remains 13%)  |
| Private Resale of Car (including Registration) | No GST                          | 8%                              | Yes <sup>5</sup> (changes to 13%)                             |
| Gasoline/Diesel                                | 5%                              | No PST                          | Yes (changes to 13%)  |

<sup>5</sup> HST does not apply; however, Ontario will maintain the PST on private transfers of used vehicles at a rate of 13 per cent to help ensure a level playing field between sales by dealerships and private sales.

## HOME PURCHASES:



|                           | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|---------------------------|---------------------------------|---------------------------------|---|
| New Homes up to \$400,000 | 5%                              | No PST                          | No change <sup>6</sup>  |
| New Homes over \$400,000  | 5%                              | No PST                          | Yes <sup>6A</sup>   |
| Resale Homes              | No GST                          | No PST                          | No HST  |
| Real Estate Commissions   | 5%                              | No PST                          | Yes (changes to 13%)  |

<sup>6</sup> The new housing rebate will be 75 per cent of the Ontario component of the HST, up to a maximum of \$24,000. The rebate will ensure that buyers of homes priced up to \$400,000 will, on average, pay no more tax than under the PST system. However, applicable PST on building supplies is embedded in the price of the home.

<sup>6A</sup> New homes purchased as primary residences, valued at \$400,000 or more, will be eligible for the maximum new housing rebate of \$24,000.

## HEALTH PRODUCTS AND SERVICES:



|  | GST-taxable before<br>July 1, 2010 | PST-taxable before<br>July 1, 2010 | Is there a change to the<br>amount of tax payable<br>under the HST? |
|--|------------------------------------|------------------------------------|---|
| Audiologist Services   | No GST                             | No PST                             | No HST if offered by a practitioner of the service.                 |
| Chiropractor Services  | No GST                             | No PST                             | No HST if offered by a practitioner of the service.                 |
| Physiotherapist Services   | No GST                             | No PST                             | No HST if offered by a practitioner of the service.                 |
| Pharmacist Dispensing Fees   | No GST                             | No PST                             | No HST  |
| Over-the-Counter Medications   | 5%                                 | 8%                                 | No (remains 13%)  |
| Prescription Drugs   | No GST                             | No PST                             | No HST  |
| Some Medical Devices<br>(includes Walkers, Hearing Aids)             | No GST                             | No PST                             | No HST  |
| Prescription Glasses/Contact<br>Lenses                               | No GST                             | No PST                             | No HST  |
| Dental Services  | No GST                             | No PST                             | No HST  |
| Dental Hygiene Products<br>(e.g., Toothpaste, Toothbrushes)          | 5%                                 | 8%                                 | No (remains 13%)  |
| Feminine Hygiene Products  | 5%                                 | No PST                             | No (remains 5%)   |
| Adult Incontinence Products  | No GST                             | No PST                             | No HST  |
| Diapers  | 5%                                 | No PST                             | No (remains 5%)   |
| Cosmetics  | 5%                                 | 8%                                 | No (remains 13%)  |
| Hair Care Products (e.g., Shampoo,<br>Conditioner, Styling Products) | 5%                                 | 8%                                 | No (remains 13%)  |
| Massage Therapy Services   | 5%                                 | No PST                             | Yes (changes to 13%)  |
| Vitamins   | 5%                                 | No PST                             | Yes (changes to 13%)  |

## MEMBERSHIPS, ENTERTAINMENT AND SPORTS EQUIPMENT:



|  | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|--|---------------------------------|---------------------------------|---|
| Admissions to Professional Sporting Events               | 5%                              | 10%                             | Combined rate going down to 13% from current 15%              |
| Movie Tickets  | 5%                              | 10%                             | Combined rate going down to 13% from current 15%              |
| Music Lessons  | No GST                          | No PST                          | No HST  |
| Skis and Snowboards                                      | 5%                              | 8%                              | No (remains 13%)  |
| Hockey Equipment   | 5%                              | 8%                              | No (remains 13%)  |
| Golf Clubs   | 5%                              | 8%                              | No (remains 13%)  |
| Green Fees for Golf                                      | 5%                              | No PST                          | Yes (changes to 13%)  |
| Gym and Athletic Membership Fees                         | 5%                              | No PST                          | Yes (changes to 13%)  |
| Ballet, Karate, Trampoline, Hockey, Soccer Lessons, etc. | 5%                              | No PST                          | Yes <sup>7</sup> (changes to 13%)                             |
| Tickets for Live Theatre with Less than 3,200 Seats      | 5%                              | No PST                          | Yes <sup>8</sup> (changes to 13%)                             |

<sup>7</sup> HST taxable, although some could be HST-exempt if provided by a public service body to children age 14 and under and underprivileged individuals with a disability.

<sup>8</sup> HST taxable, although some could be exempt if maximum admission charged by a public service body is \$1 or less, if the admissions are made in the course of the fundraising events where charitable receipts for income tax purposes may be issued, or admissions are to amateur performances.

## LEASES AND RENTALS:



|                                  | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|----------------------------------|---------------------------------|---------------------------------|---|
| Condo Fees                       | No GST <sup>9</sup>             | No PST <sup>9</sup>             | No HST <sup>9</sup>   |
| Residential Rents                | No GST                          | No PST                          | No HST  |
| Hockey Rink and Hall Rental Fees | 5%                              | No PST                          | Yes (changes to 13%)  |

<sup>9</sup> Residential condo fees charged to residents are exempt; however, purchases by condominium corporations will be subject to HST, if applicable.

## ELECTRONICS:



|   | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|---|---------------------------------|---------------------------------|---|
| TVs                                     | 5%                              | 8%                              | No (remains 13%)  |
| DVD and Blu-ray Players and Accessories | 5%                              | 8%                              | No (remains 13%)  |
| MP3 Players                             | 5%                              | 8%                              | No (remains 13%)  |
| Cell Phones, Smart Phones               | 5%                              | 8%                              | No (remains 13%)  |
| Cell Phone Service                      | 5%                              | 8%                              | No (remains 13%)  |
| CDs, DVDs and Blu-ray discs             | 5%                              | 8%                              | No (remains 13%)  |
| Radios and Stereos                      | 5%                              | 8%                              | No (remains 13%)  |
| Computers and Printers                  | 5%                              | 8%                              | No (remains 13%)  |

## PROFESSIONAL AND PERSONAL SERVICES:



### Did You Know?

Approximately 2.8 million families and individuals would benefit from the proposed Ontario Energy and Property Tax Credit, which would provide over \$1.2 billion annually in energy and property tax relief.

|  | GST-taxable before July 1, 2010 | PST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|--|---------------------------------|---------------------------------|---|
| Child Care Services  | No GST                          | No PST                          | No HST  |
| Legal Aid  | No GST                          | No PST                          | No HST  |
| Coffins and Urns Purchased Separately from a Package of Funeral Services | 5%                              | 8%                              | No (remains 13%)  |
| Fitness Trainer  | 5%                              | No PST                          | Yes (changes to 13%)  |
| Hair Stylist/Barber  | 5%                              | No PST                          | Yes (changes to 13%)  |
| Esthetician Services (e.g. Manicures, Pedicures, Facials)                | 5%                              | No PST                          | Yes (changes to 13%)  |
| Funeral Services   | 5%                              | No PST                          | Yes (changes to 13%)  |
| Legal Fees   | 5%                              | No PST                          | Yes (changes to 13%)  |



## TOBACCO:



|   | GST-taxable before<br>July 1, 2010 | PST-taxable before<br>July 1, 2010 | Is there a change to the<br>amount of tax payable<br>under the HST? |
|---|------------------------------------|------------------------------------|---|
| Cigarettes and Other Tobacco<br>Purchases | 5%                                 | No PST                             | Yes (changes to 13%)  |
| Nicotine Replacement Products             | 5%                                 | No PST                             | Yes (changes to 13%)  |

## BANKING AND INVESTMENTS:

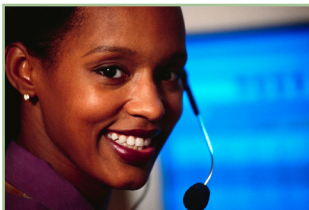


### Did You Know?

In Atlantic Canada, investment in machinery and equipment rose by more than 12 per cent following the move to a harmonized sales tax.

|                         | GST-taxable before<br>July 1, 2010 | PST-taxable before<br>July 1, 2010 | Is there a change to the<br>amount of tax payable<br>under the HST? |
|-------------------------|------------------------------------|------------------------------------|---|
| Mortgage Interest Costs | No GST                             | No PST                             | No HST  |
| Most Financial Services | No GST                             | No PST                             | No HST  |

## ONTARIO GOVERNMENT SERVICES:



|   | GST-taxable before<br>July 1, 2010 | PST-taxable before<br>July 1, 2010 | Is there a change to the<br>amount of tax payable<br>under the HST? |
|---|------------------------------------|------------------------------------|---|
| Driver's Licence Renewals and<br>Vehicle Plate Renewals (other than<br>Personalized Licence Plates) | No GST                             | No PST                             | No HST  |
| Hunting and Fishing Licences  | 5%                                 | No PST                             | Yes (changes to 13%)  |
| Vital Documents (e.g. Health Cards,<br>Birth Certificates)  | No GST                             | No PST                             | No HST  |

## Still Have Questions?

To learn more about the benefits of HST, visit [www.ontario.ca/taxchange](http://www.ontario.ca/taxchange). You can also call 1 800 337-7222, teletypewriter (TTY) 1 800 263-7776.

For more information, you can also contact the Canada Revenue Agency (CRA). Visit the CRA website at [www.cra.gc.ca/harmonization](http://www.cra.gc.ca/harmonization) or call 1 800 959-5525.