

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 | RST-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 RST | No (remains 5%) |
| Shoe Repair Service | 5% | 8% | No (remains 13%) |
| Children's Footwear | 5% | No RST 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 RST | 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 | RST-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 RST | 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 RST | No (remains 5%) |
| Restaurant Meals for More than \$4.00 | 5% | 8% | No (remains 13%) |
| Alcoholic Beverages | 5% | 10-12% | HST 13% ¹ |

¹ 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 | RST-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 RST | 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%) |
| Electricity and Heating (e.g., Natural Gas/Oil for Home) | 5% | No RST | Yes (changes to 13%) |
| Internet Access Services | 5% | No RST | 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 RST | Yes (changes to 13%) |
| Landscaping, Lawn-Care and Private Snow Removal | 5% | No RST | Yes (changes to 13%) |

ACCOMMODATION AND TRAVEL:



| | GST-taxable before July 1, 2010 | RST-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%) |
| Municipal Public Transit | No GST | No RST | No HST |
| GO Transit | No GST | No RST | No HST |
| Hotel Rooms | 5% | 5% | Yes (changes to 13%) |
| Taxis | 5% | No RST | Yes (changes to 13%) |
| Camping Sites | 5% | No RST | Yes (changes to 13%) |
| Domestic Air, Rail and Bus Travel originating in Ontario | 5% | No RST | Yes (changes to 13%) |

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 July 1, 2010 | RST-taxable before July 1, 2010 | Is there a change to the amount of tax payable 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 (including Audio Books) | 5% | No RST | No (remains 5%) |
| Newspapers | 5% | No RST | No (remains 5%) |
| Magazines Purchased at Retail | 5% | 8% | No (remains 13%) |
| Office Supplies, Stationary | 5% | 8% | No (remains 13%) |
| Landscaping Materials Including Sod, Seeds, Plants | 5% | 8% | No (remains 13%) |
| Linens (e.g., Blankets, Towels, Sheets) | 5% | 8% | No (remains 13%) |
| Tents, Sleeping Bags, Camping Supplies | 5% | 8% | No (remains 13%) |
| Tools | 5% | 8% | No (remains 13%) |
| Patio Furniture | 5% | 8% | No (remains 13%) |
| Barbeques, Lawnmowers, Snowblowers, Sprinklers | 5% | 8% | No (remains 13%) |
| Toys (e.g., Puzzles, Games, Action Figures, Dolls, Playsets) | 5% | 8% | No (remains 13%) |
| Outdoor Play Equipment (e.g., Swing Set, Sandbox, Slides) | 5% | 8% | No (remains 13%) |
| Crafting Supplies | 5% | 8% | No (remains 13%) |
| Building Materials (e.g., Lumber, Concrete Mix) | 5% | 8% | No (remains 13%) |
| Magazines Purchased by Subscription | 5% | No RST | Yes (changes to 13%) |
| Home Renovations | 5% | No RST | Yes (changes to 13%) |

MOTORIZED VEHICLES:



| | GST-taxable before July 1, 2010 | RST-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 RST | No (remains 5%) |
| Auto Insurance | No GST | No RST | 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 Vehicles | No GST | 8% | Yes ² (changes to 13%) |
| Gasoline/Diesel | 5% | No RST | Yes (changes to 13%) |

² HST does not apply; however, Ontario will maintain the RST 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 | RST-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 RST | No change ³ |
| New Homes over \$400,000 | 5% | No RST | Yes ^{3A} |
| Resale Homes | No GST | No RST | No HST |
| Real Estate Commissions | 5% | No RST | Yes (changes to 13%) |

³ 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 RST system. However, applicable RST on building supplies is embedded in the price of the home.

^{3A} 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 July 1, 2010 | RST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|--|------------------------------------|------------------------------------|---|
| Audiologist Services | No GST | No RST | No HST if offered by a practitioner of the service. |
| Chiropractor Services | No GST | No RST | No HST if offered by a practitioner of the service. |
| Physiotherapist Services | No GST | No RST | No HST if offered by a practitioner of the service. |
| Pharmacist Dispensing Fees | No GST | No RST | No HST |
| Over-the-Counter Medications | 5% | 8% | No (remains 13%) |
| Prescription Drugs | No GST | No RST | No HST |
| Some Medical Devices Includes walkers, hearing aids | No GST | No RST | No HST |
| Prescription glasses/contact lenses | No GST | No RST | No HST |
| Feminine Hygiene Products | 5% | No RST | No (remains 5%) |
| Adult Incontinence Products | No GST | No RST | No HST |
| Diapers | 5% | No RST | No (remains 5%) |
| Cosmetics | 5% | 8% | No (remains 13%) |
| Hair Care Products (e.g., Shampoo, Conditioner, Styling Products) | 5% | 8% | No (remains 13%) |
| Dental Hygiene Products (e.g., Toothpaste, Toothbrushes) | 5% | 8% | No (remains 13%) |
| Massage Therapy Services | 5% | No RST | Yes (changes to 13%) |
| Vitamins | 5% | No RST | Yes (changes to 13%) |

MEMBERSHIPS, ENTERTAINMENT AND SPORTS EQUIPMENT:



| | GST-taxable before July 1, 2010 | RST-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 RST | 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 RST | Yes (changes to 13%) |
| Gym and Athletic Membership Fees | 5% | No RST | Yes (changes to 13%) |
| Ballet, Karaté, Trampoline, Hockey, Soccer Lessons, etc. | 5% | No RST | Yes ⁴ (changes to 13%) |
| Tickets for Live Theatre with 3,200 Seats or Less | 5% | No RST | Yes ⁵ (changes to 13%) |

⁴ HST taxable, although some could be HST-exempt if provided by a public service body to children 14 and under and underprivileged individuals with a disability.

⁵ 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 | RST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|----------------------------------|---------------------------------|---------------------------------|---|
| Condo Fees | No GST ⁶ | No RST ⁶ | No HST ⁶ |
| Residential Rents | No GST | No RST | No HST |
| Hockey Rink and Hall Rental Fees | 5% | No RST | Yes (changes to 13%) |

⁶ 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 | RST-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%) |

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

TOBACCO:



| | GST-taxable before July 1, 2010 | RST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|---|------------------------------------|------------------------------------|---|
| Cigarettes and Other Tobacco Purchases | 5% | No RST | Yes (changes to 13%) |
| Nicotine Replacement Products | 5% | No RST | 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 July 1, 2010 | RST-taxable before July 1, 2010 | Is there a change to the amount of tax payable under the HST? |
|-------------------------|------------------------------------|------------------------------------|---|
| Mortgage Interest Costs | No GST | No RST | No HST |
| Most Financial Services | No GST | No RST | No HST |

Still Have Questions?

To learn more about the benefits of HST visit 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. Visit the CRA website at www.cra.gc.ca/harmonization or call 1 800 959-5525.