

Practice Question of the Month

July 2009


Charging GST & HST

Welcome! To enhance communication and education of our members, the College has developed a *Practice Question of the Month* five-minute module series.

The July 2009 module will provide information to consulting RDs or those who work in private practice about charging GST & the provincial government's newly proposed HST.

Please take the time at the end of the module to fill out a short survey. We appreciate your input and value your feedback.

Now let's begin...



College of Dietitians of Ontario

Are RDs who work as consultants or in private practice required to charge GST for their dietetic services?

A) Yes

B) No

Are RDs who work as consultants or in private practice required to charge GST for their dietetic services?

Please select the most appropriate answer to this practice question and click submit when finished.

Answer: No

- One-on-one client counselling: GST exempt
- Group sessions: GST exempt if providing services to public sector body or health care facility

The correct answer is “No.”

According to the provincial *Excise Tax Act*, one-on-one dietetic counselling would be GST exempt, regardless of who pays for the service (i.e., the client, employee assistance program or insurance company).

Group sessions are also GST exempt if RDs are providing services to a public sector body or health care facility.



Public Sector Body

- A government or public sector body such as a non-profit organization, a charity, a municipality, a school authority, a hospital authority, a public college or a university.

According to the *Excise Tax Act*, a public sector body is defined as a government or other body such as a non-profit organization, a charity, a municipality, a school, a hospital, or a public college or university.

Health Care Facility

- A facility operated for the purposes of providing medical or hospital care including acute, chronic or rehabilitative care.

The *Excise Tax Act* defines a health care facility as a facility operated for the purposes of providing medical or hospital care including acute, chronic or rehabilitative care.

Exceptions

- A group who is neither a public sector body or operator of a health care facility




GST taxable

- Example: Corporation lunch & learn

Dietetic services are GST taxable when provided to a group who is neither a public sector body or health care facility.

An example where an RD's services may be taxable would be a group lunch & learn at a private corporation.

Harmonized Sales Tax (HST)

- July 1, 2010  HST
- PST (8%) + GST (5%) = HST (13%)
- Dietetic services: HST exempt

If adopted as currently proposed in the provincial budget, a single sales tax called the Harmonized Sales Tax (HST) will take effect in Ontario on July 1, 2010.

The single sales tax would have a combined tax rate of 13 per cent. The provincial portion would be eight per cent - the current as the PST rate - and the federal portion would be five per cent - the current GST rate.

The College consulted with the Ontario Ministry of Revenue, and were informed that dietetic services which are GST exempt will remain tax exempt under the HST.

Other Regulated Health Professions

- Some regulated health professions must charge GST for services



HST taxable

There are certain regulated health professions who must charge GST for their services (e.g., Registered Massage Therapists and Dentists).

As a result, if the proposed HST is introduced in Ontario on July 1, 2010, these professions will be required to charge HST.

Helpful Resources

Summer 2003 *résumé*:

[Charging GST](#)

Link:

[Excise Tax Act](#)

The College has written a helpful article regarding charging GST. Click on the link on the slide to access this article from CDO's Summer 2003 issue of *résumé* newsletter.

For more information on the taxable services of regulated health professions, refer to the *Excise Tax Act* link.

**Thank you for taking the time to view the
July 2009 Practice Question of the Month.**

Please click [here](#) to access the survey.

Your feedback is greatly appreciated.

Thank you for taking the time to view the July 2009 Practice Question of the Month on Charging GST and the provincial government's newly proposed HST.

Please take a moment to click on the link on this slide to fill out a short survey regarding the five-minute e-learning modules.

Your feedback is greatly appreciated.