



January 2010

Electronic Filing Requirements for GST/HST Registrants

On January 4, 2010, the Government of Canada announced new electronic filing requirements for GST/HST registrants. **For reporting periods that end on July 1, 2010 or later, certain GST/HST registrants will be required to file their GST/HST returns electronically.**

Under the new measures, the following registrants will be required to file their GST/HST returns electronically:

- GST/HST registrants (excluding charities) with annual taxable supplies (including those supplies made by associated companies) greater than \$1,500,000;
- GST/HST registrants who are restricted from claiming the full amount of the provincial portion of the HST on certain inputs (i.e. energy, telecommunication services, certain types of vehicles, fuel, food and entertainment) purchased in Ontario or British Columbia; and
- Builders in Ontario and British Columbia who are affected by the transitional HST housing measures.

In general, charities and most GST/HST registrants with annual taxable supplies of \$1,500,000 or less will not be affected by these changes and electronic filing will remain optional, although all registrants are encouraged by the Canada Revenue Agency (“CRA”) to file their GST/HST returns electronically. GST/HST registrants who are required to electronically file their returns but continue to file paper returns will be subject to penalties.

There are four methods for electronically filing a GST/HST return – GST/HST NETFILE, GST/HST Internet File Transfer, GST/HST electronic filing through a financial institution and GST/HST TELEFILE. These methods are summarized on the CRA’s website under the following link:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/bspsbch/rtrns/flng/menu-eng.html>

GST/HST remittances for an electronically filed GST/HST return can be made using one of the following options:

- Paying electronically using the CRA's *My Payment* option;
- Paying electronically using a financial institution's internet or telephone banking service;
- Mailing a cheque to the registrant's tax centre along with form *RC158 - GST/HST Netfile/Telefile Remittance Voucher* (note: the CRA must physically receive the payment by the due date to avoid interest charges. The postmark date is not considered the date payment is received); or
- Paying in person at the registrant's financial institution using form *RC158 - GST/HST Netfile/Telefile Remittance Voucher* (note: all payments of \$50,000 or more must be made at the registrant's financial institution).

Form *RC158 - GST/HST Netfile/Telefile Remittance Voucher* is a personalized pre-printed form and must be ordered in advance by calling the CRA at 1-800-959-5525. If a registrant believes that it will be required to electronically file its GST/HST returns in the future, we suggest that it prepare for the change as soon as possible by ordering form RC158.

For more information please contact the tax department at Cunningham LLP.

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