



OUTDOOR POWER EQUIPMENT  
INSTITUTE OF CANADA

## **Notice to OPEIC Participants** **re: Transition from HST to GST/PST on April 1, 2013**

January 29, 2013

On July 1, 2010, BC eliminated the 7% Provincial Sales Tax (PST) and the 5% Goods and Services Tax (GST) became the 12% Harmonised Sales Tax (HST). As you are likely aware, BC is reintroducing the 7% PST on April 1, 2013, at which time the HST reverts to 5% GST.

The purpose of this notice is to explain the impact of this tax change on (1) environmental handling fees (EHFs) paid by participants to the Outdoor Power Equipment Institute of Canada (OPEIC), and (2) the recovery of environmental handling fees when the product is sold at retail.

Currently, all EHFs paid by participants to OPEIC are subject to 12% federal sales tax (HST). The OPEIC online fee reporting system automatically adds HST to the EHF reports.

### **Beginning April 1, 2013 in British Columbia:**

#### **(1) GST at 5% applies to EHFs paid by participants to OPEIC:**

On April 1, 2013 the 12 % HST will be replaced by the 5% federal Goods and Services Tax (GST) and the 7% BC Provincial Sales Tax (PST). However, PST will not apply to the payment of EHFs by participants to OPEIC, effective April 1, 2013. The OPEIC online EHF reporting system will be changed to apply only the GST rate of 5% to sales reports beginning April 2013 for all members. The GST on EHFs paid by participants to OPEIC will continue to serve as an input tax credit for participants when filing their GST returns.

#### **(2) GST at 5% and PST at 7% applies to the recovery of EHFs when the product is sold at retail:**

EHFs are considered to be a part of the price of regulated products, whether or not the fee is shown visibly on product receipts or invoices. As such, EHFs charged to retail customers are subject to PST and GST if the product price itself is subject to PST and GST. Sales at the wholesale level will normally be subject to GST only.

This information not intended as legal or tax advice and it is recommended that all participants consult with their tax advisors in this regard.

If you have any questions on this matter, please do not hesitate to contact Shannon White via email at [memberservices@opeic.ca](mailto:memberservices@opeic.ca) or via phone at 604-592-2972 ext. 219.

For further information on the return to PST in BC, please visit [www.pstinbc.ca](http://www.pstinbc.ca)

Kind regards,  
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Member Services

**Outdoor Power Equipment Institute of Canada**

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