

Title: GST and PST Guide for the External Sale of Goods and Services
Subject: Sales Tax Guides - Tax1
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1. [Introduction – Goods and Services Tax \(GST\)](#)

The Goods and Services Tax adds 5% percent to the cost of taxable sales made by the University of Guelph. As a GST registrant, we are responsible to collect on taxable sales and remit to Revenue Canada, when applicable.

Special rules apply for goods and services provided by universities. For tax purposes, universities fall within the classification of a public institution, and under these rules most sales of new goods are taxable and most sales of services are exempt. Therefore, it is important to distinguish between the sale of a good and a service.

This guide has been prepared to provide assistance to university personnel in determining the status of GST on sales transactions.

2. [Application of GST](#)

To determine the GST status of a sale, firstly determine whether it is taxable on the attached GST & PST Guide. If the sale is taxable, the overriding exemption provisions found below should be considered to determine whether it remains taxable or is reverted back to being tax-exempt.

3. [Overriding Exemptions GST](#)

Internal departmental sales such as I.T.I.'s, DDE, etc.

- Goods or services exported and consumed outside Canada.
- The sale of goods or services to Provincial Governments and their recognized bodies.

- OMAFRA is a recognized body of the Ontario Government and is exempted from paying GST.
- **NOTE:** Federal and Municipal Governments will pay GST.
- Nominal Consideration Exemption (Direct Cost Recovery).
 - GST will not apply to goods or services provided for a **nominal charge**.
 - Nominal charge refers to an amount equal to or less than the **direct cost** of the goods or services purchased, less the GST rebate of 4.69%.
 - **Direct cost does not include administrative or overhead expenses or employees salaries incurred in providing taxable goods or services.**
 - If the goods or services are sold to recover the purchase price plus additional costs, GST would apply to the transaction.

4. [Introduction – Provincial Sales Tax \(PST\)](#)

As a holder of a vendor permit, the University of Guelph is required to charge 8% PST on taxable sales and remit to the Treasurer of Ontario.

Generally speaking, most sales of new and used goods are taxable whereas most sales of services are exempt.

This guide has been prepared to provide assistance to university personnel in determining the status of PST on sales transactions.

5. [Application of PST](#)

To determine the PST status of a sale, firstly determine whether it is taxable on the attached GST & PST Guide. If the sale is taxable, certain overriding exemption provisions found below should be considered to determine whether it remains taxable or is reverted back to being tax-exempt.

6. [Overriding Exemptions PST](#)

- Internal departmental sales such as I.T.I.'s, DDE, etc. (Excluding food and beverage sales).
- Goods or services sold and consumed outside the Province of Ontario.
- Goods or services sold to a purchaser who provides a completed purchase exemption certificate.

7. [Goods and Services – “Tax Status” Chart](#)

ALPHABETICAL INDEX - Pick the letter of your choice to access the following Index.																			
A	B	C	D	E	F	G	H	I	L	M	N	O	P	R	S	T	U	V	W
<u>A</u> - Revised: March 23, 2000										GST STATUS					PST STATUS				
Accommodation																			
• Short term (less than 30 days) and over \$20/day or \$140/week										Taxable					Taxable @ 5% regardless of cost				
• Long term (30 days or over) with continuous occupancy										Exempt					Exempt				
Administration Fees																			
Admission to places of amusement and recreation, professional performances, etc.										Taxable					Exempt				
Advertising Services																			
Agricultural Products																			
• Grain and seeds in their natural state (or treated for seeding purposes)										Exempt					Exempt				
• Eggs										Exempt					Exempt				
• Hay, silage or other fodder used as or to prepare food for human consumption, or as feed for livestock or poultry, when sold in quantities larger than those usually offered for sale to consumers.										Exempt					Exempt				
Alcoholic Beverages																			
Animal boarding service fees										Exempt					Exempt				
Animals																			
• Horses										Taxable					Exempt				
• Livestock (cattle, swine, goats) poultry										Exempt					Exempt				
• Dogs, cats, rabbits										Taxable					Taxable/Exempt				
Appliance rental																			
Application Fee																			
Aptitude testing service																			
Art supplies																			
Athletics Memberships																			
• Compulsory fee included in tuition										Exempt					Exempt				
• Other (staff, alumni, etc.)										Taxable					Exempt				
Audio Tapes																			
• Production (i.e., recording, editing, etc.)										Exempt					Taxable				
• Duplication										Taxable					Taxable				
Audio visual equipment rental																			
<u>B</u>										GST STATUS					PST STATUS				
Bees																			
Beverages										Taxable					Taxable				
Binding service (varying PST rules apply, phone for clarification)										Exempt					Taxable/Exempt				
Books (published for educational, technical, cultural or																			

literacy purposes and contain no advertising)		
Books (blank exercise books, catalogues, directories, rate books, etc.)	Taxable	Taxable
Books (used or donated text books)	Exempt	Exempt
Building Materials		
<ul style="list-style-type: none"> • Non-Farm Use 	Taxable	Taxable
<ul style="list-style-type: none"> • Farm Use (Build or modernize exclusive farm use building) 	Taxable	Taxable/Rebate to March 31/99
C - Revised: November 1, 1998	GST STATUS	PST STATUS
Cage Rentals (animal)	Taxable	Taxable
Carrel Rentals	Taxable	Exempt
Catering	Taxable	Taxable
Certified Copy of Academic Documents	Taxable	Exempt
Child Care Services	Exempt	Exempt
Classroom Supplies	Taxable	Taxable
Clothing	Taxable	Taxable
Coin-Op Photocopier Services		
<ul style="list-style-type: none"> • \$.20 or less per transaction 	Exempt	Exempt
<ul style="list-style-type: none"> • greater than \$.20 per transaction 	Exempt	Taxable
Coin-Op Laundry Service	Exempt	Exempt
Commissions from Vending Machines, Ticket Sales, etc.	Exempt	Exempt
Computers		
<ul style="list-style-type: none"> • Mainframe rental 	Taxable	Taxable
<ul style="list-style-type: none"> • Personal, sale of 	Taxable	Taxable
<ul style="list-style-type: none"> • Supplies (paper, diskettes, manuals, etc.) 	Taxable	Taxable
Confectionery	Taxable	Taxable
Conferences (refer GST Bulletin #8 for complete details)	Taxable	Exempt
Consulting Services	Exempt	Exempt
Convocation Fees	Exempt	Exempt
Counselling Services	Exempt	Exempt
Course Description (Individual)	Taxable	Exempt
Course Manuals	Taxable	Exempt
Courses: Credit (refer GST Bulletin #8 for complete details)	Exempt	Exempt
Cover Charges	Taxable	Exempt
D - Revised: November 1, 1998	GST STATUS	PST STATUS
Damage Fees (student)	Exempt	Exempt
Day-Care Services	Exempt	Exempt
Desktop Publishing Service	Exempt	Exempt
Diagnostic Testing Services	Exempt	Exempt
Diploma Replacement	Taxable	Exempt
Donated Goods	Exempt	Exempt
Drugs, Prescription	Exempt	Exempt
Duplicate T2202A	Taxable	Exempt
E	GST STATUS	PST STATUS

Equipment Rentals		
<ul style="list-style-type: none"> Includes audio visual, laboratory, musical instruments, furniture, etc. 	Taxable	Taxable
Eggs (basic grocery)	Exempt	Exempt
Examination Scripts	Exempt	Exempt
Exported goods and services		
<ul style="list-style-type: none"> (consumed outside Canada) 	Exempt	Exempt
<ul style="list-style-type: none"> (consumed outside Ontario) 	Taxable	Exempt
F	GST STATUS	PST STATUS
Fax Services	Exempt	Exempt
Field Trip Fees (course-related)	Exempt	Exempt
Film Processing Service		
<ul style="list-style-type: none"> Where client brings in goods for production 	Exempt	Taxable
<ul style="list-style-type: none"> Where University originates, produces and sells goods to customers 	Taxable	Taxable
Fines (parking, library, etc.)	Exempt	Exempt
Food		
<ul style="list-style-type: none"> Basic Groceries (bulk food sales) 	Exempt	Exempt
<ul style="list-style-type: none"> Student Meal Plans (meeting minimum dollar value) 	Exempt	Exempt
<ul style="list-style-type: none"> Snacks and prepared foods 	Taxable	Taxable
<ul style="list-style-type: none"> Other (restaurant meals, etc.) 	Taxable	Taxable if over \$4.00
Fund Raising Dinners/events (varying tax rules, phone for clarification)	Taxable/Exempt	Taxable/Exempt
G	GST STATUS	PST STATUS
Giftware	Taxable	Taxable
Gift Certificates	Exempt	Exempt
Graduate Referral Service	Exempt	Exempt
Graphic Art Service (varying PST rules apply, phone for clarification)	Exempt	Taxable/Exempt
H	GST STATUS	PST STATUS
Health and Beauty Aids	Taxable	Taxable
Housing Rentals		
<ul style="list-style-type: none"> Long-term (30 days or over) with continuous occupancy 	Exempt	Exempt
<ul style="list-style-type: none"> Short-term (under 30 days) 	Taxable	Taxable
I - Revised: November 1, 1998		PST STATUS
Ice Cream		
<ul style="list-style-type: none"> Single Serving 	Taxable	Taxable
<ul style="list-style-type: none"> Bulk (basic grocery) 	Exempt	Exempt
Ice Rentals (Athletics)	Taxable	Exempt
ID Cards (Original and Replacement)	Taxable	Exempt
Inter-Library Loan Service	Exempt	Exempt
Internet Services	Exempt	Exempt

<u>L</u> - Revised: November 1, 1998	GST STATUS	PST STATUS
Lab Analysis Service	Exempt	Exempt
Lab Coats	Taxable	Taxable
Lab Manuals	Taxable	Exempt
Laminating Service	Exempt	Taxable
Land Sales (generally taxable although tax rules vary, phone for clarification)	Taxable	Exempt
Laser Printing Service (varying PST rules apply, phone for clarification)	Exempt	Taxable/Exempt
Laundry Services	Exempt	Exempt
Laundry, Coin-Op	Exempt	Exempt
Lecturing (on behalf of University, not privately)	Exempt	Exempt
Letters of Permission	Taxable	Exempt
Library Overdue Book Fines	Exempt	Exempt
Literature Searches	Exempt	Exempt
Loans (financial)	Exempt	Exempt
Locker Rentals	Taxable	Exempt
<u>M</u>	GST STATUS	PST STATUS
Manuals - Lab, Classroom, Computer	Taxable	Exempt
Mailing Labels	Taxable	Taxable
Meal Plans - Student (meeting minimum dollar value)	Exempt	Exempt
Meat (basic grocery)	Exempt	Exempt
Medical Devices	Exempt	Exempt
Meeting Rooms		
<ul style="list-style-type: none"> • Long term (30 days or over with continuous occupancy) 	Exempt	Exempt
<ul style="list-style-type: none"> • Short term (under 30 days) 	Taxable	Exempt
Milk (basic grocery)	Exempt	Exempt
<u>N</u>	GST STATUS	PST STATUS
Non-Credit Course Fees (refer GST Bulletin #8 for complete details)	Taxable	Exempt
<u>O</u>	GST STATUS	PST STATUS
Office Supplies	Taxable	Taxable
Overhead Transparencies		
<ul style="list-style-type: none"> • Where client brings in goods for production 	Exempt	Taxable
<ul style="list-style-type: none"> • Where University originates, produces and sells goods to customers 	Taxable	Taxable
<u>P</u>	GST STATUS	PST STATUS
Parking		
<ul style="list-style-type: none"> • For Resident Students 	Exempt	Exempt
<ul style="list-style-type: none"> • All Other 	Taxable	Taxable
Patents	Exempt	Exempt
Pest Diagnostic Services	Exempt	Exempt

Pet Food		
• Prescription	Taxable	Taxable
• Non-Prescription	Taxable	Taxable
Pharmaceuticals		
• Prescription Drugs	Exempt	Exempt
• Labelled for veterinary or agricultural use	Taxable	Exempt
Photocopies		
• if total charge is \$.20 or less	Exempt	Exempt
• if total charge exceeds \$.20	Exempt	Taxable
Photographic Services (also see Film Processing Service)	Exempt	Taxable
Plant Testing Service	Exempt	Exempt
Plants, Trees and Shrubs	Taxable	Taxable
Printed Matter, Sale of (varying PST rules apply, phone for clarification)	Taxable	Taxable/Exempt
Printing Services (varying PST rules apply, phone for clarification)		
• Where client brings in goods for production.	Exempt	Taxable/Exempt
• Where University originates, produces and sells goods to customers.	Taxable	Taxable/Exempt
Psychological Testing Services	Exempt	Exempt
R - Revised: November 1, 1998	GST STATUS	PST STATUS
Recreational Instruction		
• Primarily for those under 14 years of age	Exempt	Exempt
• All others	Taxable	Exempt
Rentals, Equipment		
• Audio Visual, Laboratory, Musical Instruments, Furniture, etc.	Taxable	Taxable
Research Contracts (refer to GST Bulletin #3 for details)	Taxable/Exempt	Exempt
Residence Fees, Student	Exempt	Exempt
Right to Use Computer Terminals	Taxable	Exempt
Royalties	Exempt	Exempt
S - Revised: November 1, 1998	GST STATUS	PST STATUS
Seminars (refer GST Bulletin #8 for complete details)	Taxable	Exempt
Skate Sharpening Service	Exempt	Taxable
Slide Production		
• Where client brings in goods for production	Exempt	Taxable
• Where University originates, produces and sells goods to customers	Taxable	Taxable
Software		
• Custom-Designed, single copy	Exempt	Exempt
• Produced and sold in quantity	Taxable	Taxable
Soil Testing Service	Exempt	Exempt
Space Rentals, Room Rentals		
• Long Term (30 days or over with continuous occupancy)	Exempt	Exempt
• Short Term (under 30 days)	Taxable	Exempt

Sporting Goods	Taxable	Taxable
Statement of Attendance	Taxable	Exempt
Stationery	Taxable	Taxable
Subscriptions for magazines, journals & similar type publications	Taxable	Exempt
Survey Research Services	Exempt	Exempt
Swimming Pool Rentals (Athletics)	Taxable	Exempt
T - Revised: November 1, 1998	GST STATUS	PST STATUS
Telephones		
<ul style="list-style-type: none"> Line and Equipment Rental 	Exempt	Taxable
<ul style="list-style-type: none"> Direct cost recovery for personal use by staff, faculty 	Exempt	Exempt
Tickets		
<ul style="list-style-type: none"> To Amateur Performances or Competitions 	Exempt	Exempt
<ul style="list-style-type: none"> To Professional Performances or Competitions 	Taxable	Exempt
Towel and Gym Apparel Rental	Taxable	Exempt
Transcripts	Taxable	Exempt
Typesetting Services (varying PST rules apply, phone for clarification)	Exempt	Taxable/Exempt
U	GST STATUS	PST STATUS
Used Goods		
<ul style="list-style-type: none"> Sale of goods previously used in a non-commercial operation, academic dept's. 	Exempt	Taxable
<ul style="list-style-type: none"> Sale of goods previously used in a commercial operation such as Hospitality/Retail Services 	Taxable	Taxable
V	GST STATUS	PST STATUS
Veterinary Services (selected)	Exempt	Exempt
Veterinary Supplies	Taxable	Exempt
Video Tapes		
<ul style="list-style-type: none"> Production 	Exempt	Taxable
<ul style="list-style-type: none"> Duplication 	Taxable	Taxable
W	GST STATUS	PST STATUS
Website Design	Exempt	Exempt
Wool	Exempt	Exempt
Word Processing Service	Exempt	Exempt
Writing Services	Exempt	Exempt