



Harmonized Sales Tax (HST) Information

Federal or Harmonized Federal/Provincial taxes are charged on most expenses incurred within Canada, though the rate and type of tax (HST or federal tax) depends on which province the supply purchased is consumed. These taxes are noted on the invoice or receipt; however, meal per diems, parking at meters and parking lots, mileage and taxi charges, for which you may not have a detailed receipt, also have hidden HST or federal tax in the total cost. If you are unsure of the amount of HST or federal tax to include in your claim, please use the [HST Calculator for Travel](#) to determine the amount of HST or federal tax to include in your travel claim.

Per Diems

Per diems for meals when travelling in Canada are considered HST or federal tax applicable. As most diners include a tip, the Business Office uses a formula to determine the HST or federal tax to include in the total per diem amount being claimed. This formula results in a percentage that may not be equal to the tax rate normally used. For example, the percentage to apply to per diem amounts in Ontario is 0.0959. Therefore, if you are claiming a per diem of \$65.00 in Ontario, the amount of HST included in the total is \$6.23 ($\65.00×0.0959). If the travel took place in another province within Canada, a different rate must be applied in order to separate the federal tax amount that is rebate eligible from the provincial tax which is not. If the travel took place outside of Canada, HST or federal tax would not apply. The per diem rates are posted on the [National Joint Council of Canada](#) web site and are updated every three months. Please use the [HST Calculator for Travel](#) to determine the amount of HST or federal tax to include in your travel claim.

Taxi Fares

Taxi charges incurred within Canada can include HST or federal tax, and is determined in the same way as the tax amount for per diems. In Ontario, to determine the HST amount included in the fare, multiply the taxi fee by .0959. For example, if the charge for a taxi is \$50.00, you would multiply \$50.00 by 0.0959 to get the HST of \$4.80. Please use the [HST Calculator for Travel](#) to determine the amount of HST or federal tax to include in your travel claim.

Parking Costs

When parking at meters or in parking lots in Canada that do not indicate HST or GST/PST on the receipts, HST and GST/PST is included in the total charge. In Ontario, multiply the amount by 0.13, then divide by 1.13 (0.13 being the rate of HST), to get the hidden HST amount. ($HST = \text{total amount} / 1.13 \times .13$). Please use the [HST Calculator for Travel](#) to determine the amount of HST or federal tax to include in your travel claim.

HST when invoicing for services

When invoicing for a service that is HST applicable, the Business Office will include the HST in the total amount to be billed. For goods or services that are exported out of the country, HST is not applicable. The residency of the individual does not determine the tax to be charged. Please contact HST_Committee@carleton.ca if you have any questions relating to HST and the processes involved.

Why is isolating the HST or federal tax important?

As an accredited University, Carleton receives a 67% rebate of the federal portion of the HST and a 78% rebate on the provincial portion of the HST paid on the purchase of goods and services consumed in Ontario, as well as a federal tax rebate of 67% for goods and services purchased within Canada, but outside of Ontario. In some cases where the fund carries on commercial activities, a 100% Input Tax Credit is received.

It is to the advantage of the researcher or department to indicate the HST or federal tax for any good or service paid for on a travel report or cheque requisition as the fund will be credited back the applicable HST or federal tax rebate/ credit.

NEED HELP CALCULATING THE HIDDEN HST or FEDERAL TAX?

Try using the HST Calculator for calculating the hidden costs in taxi fares, per diems, parking and mileage. The HST Calculator can be found on the Travel Information web site

http://www.carleton.ca/finance/Business_Operations/travel/index.html

Mileage Allowance

Mileage is calculated by multiplying the kilometres traveled by the posted National Joint Council rate according to the province in which the vehicle is registered. This rate may fluctuate and is adjusted every few months. For example, if you travel 100 kilometres, multiply this by the eligible amount per kilometre. In Ontario, HST is included in gas prices. If you are claiming mileage for travel within Ontario, it must be identified in the mileage charge. In Ontario, multiply by 0.13 and divide by 1.13 to determine the hidden HST. (HST = total amount/1.13 X .13.) Please use the [HST Calculator for Travel](#) to determine the amount of HST or federal tax to include in your travel claim.

Please contact Accounting if you have any questions relating to HST & the processes involved. Make sure to note the HST on travel expense reports and cheque requisitions, as it is to your benefit.

Accounting 613-520 - 3631

HST on Purchasing Card Expenses

When reconciling P-Card expenses, the system assumes HST to be included in the total purchase price if the item was purchased within Ontario. If the item was purchased in another HST applicable province, the HST is split between the federal and provincial portions. Accounts Payable verifies the tax treatment for those purchases as reconciliations are received.

HST when invoicing for services

Some services for which the University invoices are HST applicable and this must be noted on invoices. If a researcher or centre is hosting a conference where registration fees are charged, offers a course that is not part of a degree program, sells publications, or rents equipment to parties outside of Carleton, then HST must be charged. This money collected for this tax do not get deposited back to the fund for which the revenue is generated. Instead, it is remitted to the Canada Revenue Agency by the Business Office.

All invoices must be prepared by Accounting Services, and will include HST when applicable. Please provide details to Accounting on the nature of the transaction so that we may properly identify the tax treatment.