



Canada Revenue
Agency

Agence du revenu
du Canada

Quick Method of Accounting for GST/HST

Find out if this guide is for you

This guide explains how to use the quick method of accounting. It does **not** apply to qualifying non-profit organizations, municipalities, hospital authorities, charities, and most universities, public colleges and school authorities. If your organization is one of these, go to canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/complete-file-quick-method.

GST/HST and Quebec

In Quebec, Revenu Québec generally administers the GST/HST. If the physical location of your business is in Quebec, you have to file your returns with Revenu Québec using its forms, unless you are a person that is a selected listed financial institution (SLFI) for GST/HST or *Quebec Sales Tax* (QST) purposes or both. For more information, see the Revenu Québec publication IN-203-V, *General Information Concerning the QST and the GST/HST*, available at revenuquebec.ca. If you are an SLFI, go to canada.ca/gst-hst-financial-institutions.

The CRA's publications and personalized correspondence are available in braille, large print, e-text and MP3. For more information, go to canada.ca/cra-multiple-formats or call 1-800-959-5525.

Unless otherwise stated, all legislative references are to the *Excise Tax Act* or, where appropriate, the *Excise Tax Act Regulations*.

This guide uses plain language to explain the most common tax situations. It is provided for information only and does not replace the law.

The CRA uses the term **Indian** because it has legal meaning under the *Indian Act*.

La version française de ce guide est intitulée La méthode rapide de comptabilité pour la TPS/TVH.

What's new

The major changes are listed below.

Electronic filing for GST/HST registrants

The mandatory electronic filing threshold of \$1,500,000 that was in place for GST/HST returns has been removed for reporting periods that begin on or after January 1, 2024, which means that electronic filing is now required for **all** GST/HST registrants, other than selected listed financial institutions and most charities. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

Electronic remittances or payments above \$10,000

As of January 1, 2024, remittances or payments to the Receiver General of Canada must be made as an electronic payment if the amount is more than \$10,000. The option to send payments by cheque will remain available to taxpayers for the foreseeable future. Before applying a penalty, the CRA will be educating taxpayers about the easy, secure, and convenient electronic payments options currently available to make payments to the CRA. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

New reporting lines for Form GST34 when filing electronically through GST/HST NETFILE and My Business Account

The CRA has changed the way your business must report the net tax calculation on Form GST34, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return* when filing online using GST/HST NETFILE and My Business Account. **Lines 105 and 108** are no longer fillable fields. They are automatically calculated based on what is entered on these lines. **Lines 103, 104, 106, and 107** can now be filled out.

My Business Account

The Progress Tracker service has been updated so that My Business Account users and their authorized representatives can track the progress of GST/HST returns and GST/HST reassessments.

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Definitions

Associated person, for GST/HST purposes, means a person that is generally associated with another person where one controls the other. Associated persons (referred to generally as “associates”) may include:

- two or more corporations
- an individual and a corporation
- a person and a partnership or trust
- two persons, if they are associated with the same third person

Capital asset generally means property that is or would be capital property under the *Income Tax Act* and includes property that, before January 1, 2017, was or would have been eligible capital property for income tax purposes.

Eligible capital property generally means property that does not physically exist but that gives you a lasting economic benefit. Some examples are goodwill, or franchises, concessions, or licenses for an unlimited period. As of January 1, 2017, see the definition of capital asset instead. The term **capital assets** includes property that would have been considered **eligible capital property** or **capital property** prior to that date.

Participating province means a province that has harmonized its provincial sales tax with the GST to implement the harmonized sales tax (HST). Participating provinces include New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island, but do not include the Nova Scotia offshore area or the Newfoundland offshore area except to the extent that offshore activities, as defined in subsection 123(1) of the *Excise Tax Act*, are carried on in that area.

Permanent establishment of a person generally means **either** of the following:

- a fixed place of business of the person, including a place of management, a branch, an office, a factory, or a workshop; or a mine, an oil or gas well, a quarry, timberland, or any other place where natural resources are extracted, through which the person supplies property or services
- a fixed place of business of someone else (other than a broker, general commission agent, or other independent agent acting in the ordinary course of business) who is acting in Canada for the person and through whom the person supplies property or services in the ordinary course of business

Place of business means any premises, facility, or installation used to carry on business, whether or not it is used exclusively for that purpose. Premises, facilities, or installations may be considered to be a place of business whether they are owned or rented, or, in some cases, where they are simply available to the business.

Supply means the provision of property or a service in any way, including sale, transfer, barter, exchange, licence, rental, lease, gift, or disposition.

Zero-rated supplies are supplies of property and services that are taxable at the rate of 0%. This means there is no GST/HST charged on these supplies, but GST/HST registrants may be eligible to claim input tax credits (ITCs) for the GST/HST paid or payable on property and services acquired to provide these supplies.

The quick method of accounting

The **quick method** is another accounting option available to help small businesses calculate their net tax for GST/HST purposes. This method reduces paperwork and makes it easier to calculate GST/HST remittances and file GST/HST returns because it eliminates the need to report the actual GST/HST paid or payable on most purchases.

When using the quick method, you still charge the GST at the rate of 5% or the HST at the applicable rate on your taxable supplies of property and services. For the list of applicable GST/HST rates, go to canada.ca/gst-hst and select “GST/HST calculator (and rates)” under “Most requested.” To calculate the amount of GST/HST to remit, multiply the revenue from your supplies (including the GST/HST) for the reporting period by the quick method remittance rate, or rates, that apply to your situation.

The remittance rates of the quick method are less than the applicable rates of GST/HST that you charge. This means that you remit only a part of the tax that you collect, or that is collectible. Since you **cannot** claim ITCs on most of your purchases when you use this method, the part of the tax that you keep accounts for the approximate value of the ITCs you would otherwise have claimed. For more information, see “Quick method remittance rates” on page 8.

Note

Whether the quick method will be more beneficial for you to use than the regular method depends on your specific situation.

Determine if you can make this election

You can use the quick method if you meet **all** of the following conditions:

- You have been in business continuously throughout the 365-day period ending immediately before your current reporting period (if you are a new registrant, see “New registrants” on the next page).
- You did **not** revoke an election of the **quick method** or the **simplified method for claiming ITCs** during that 365-day period.
- You are **not** a business type listed under “Exceptions” on the next page.

- Your revenues (including the GST/HST) from annual worldwide taxable supplies, (including zero-rated supplies) **and those of your associates**, are **not** more than \$400,000 for either the period consisting of the first four consecutive fiscal quarters out of your last five fiscal quarters, or the period consisting of the last four fiscal quarters out of your last five fiscal quarters. When you calculate your annual worldwide taxable supplies, exclude revenues from supplies of financial services and sales of real property, capital assets, goodwill from the sale of a business, and, before January 1, 2017, eligible capital property.

You must have a permanent establishment in Canada to use the quick method. Certain registrants **cannot** use the quick method, including lawyers (or law offices), accountants, bookkeepers, financial consultants, and listed financial institutions.

Exceptions

The following business types **cannot** use the quick method:

- persons that provide book-keeping, financial consulting, tax consulting or tax return preparation services in the course of their commercial activities
- persons that provide legal, accounting or actuarial services in the course of their professional practice
- listed financial institutions
- charities
- public institutions
- non-profit organizations with at least 40% government funding in the year (qualifying non-profit organizations)
- municipalities or local authorities designated as a municipality
- public colleges, school authorities, or universities, that are established and operated other than for profit
- hospital authorities, facility operators, or external suppliers

Note

A **special quick method** is available to certain qualifying non-profit organizations, selected public service bodies, specified facility operators and designated charities. For more information, go to the following webpage “Special quick method of accounting for public service bodies.”

Example

ABC Shoe Store is a GST/HST registrant located in Calgary, Alberta, where it has operated for the last five years and makes all of its supplies. It files quarterly GST/HST returns and has always used the regular method to calculate its net tax. ABC Shoe Store is **not** a type of business listed under “Exceptions” above. They would like to use the quick method beginning April 1, 2024.

ABC Shoe Store’s worldwide taxable sales (including the GST/HST) for the last five fiscal quarters are as follows:

ABC Shoe Store Calgary, Alberta		
Taxable sales (including the GST/HST) for the fiscal quarters ending:		
March 31, 2023	\$ 78,000	
June 30, 2023	\$ 118,000	\$ 118,000
September 30, 2023	\$ 128,000	\$ 128,000
December 31, 2023	\$ 70,000	\$ 70,000
March 31, 2024		\$ 86,000
Total for four consecutive quarters	\$ 394,000	\$ 402,000

The total sales (including the GST/HST) for the first four fiscal quarters (ending December 31, 2023) was \$394,000. The total sales (including the GST/HST) for the last four fiscal quarters (ending March 31, 2024) was \$402,000.

Since at least **one** of the periods of four consecutive fiscal quarters out of the five most recent fiscal quarters has GST/HST-included sales that are **not** more than \$400,000, ABC Shoe Store can elect to start using the quick method on April 1, 2024.

New registrants

If you have **not** been in business continuously for the past year but you are an eligible type of business, you may be eligible to use the quick method. You can elect to use the quick method if, in your first full year of business, you can reasonably expect your revenues from worldwide taxable supplies, and those of your associates, to be \$400,000 or less.

Determine when you can make the election

If you file **annual** GST/HST returns, you have to make the election by the first day of your second fiscal quarter. If you are a new registrant filing your first return for a reporting period that is **not** a full fiscal year, you have to make your election by the due date of the return.

If you file **monthly or quarterly** GST/HST returns, you have to make your election by the due date of the return for the reporting period in which you begin using the quick method.

You can start using the quick method on the effective date you indicated to the CRA. This date has to be the first day of a GST/HST reporting period.

If you previously elected to use the quick method and have revoked that election, you have to wait at least **one** year from the date the revocation became effective before you can elect to use the quick method again.

How to elect to use the quick method

You can elect to use the quick method by using the CRA’s online services in:

- My Business Account at canada.ca/my-cra-business-account, if you are a business owner
- Represent a Client at canada.ca/taxes-representatives, if you are an authorized representative or employee

You can also elect to use the quick method by filling out Form GST74, *Election and Revocation of an Election to Use the Quick Method of Accounting*.

Duration of this election

Generally, the election stays in effect as long as the total annual revenue (including the GST/HST) from your worldwide taxable supplies (including zero-rated supplies), and those of your associates, does **not** exceed \$400,000, **or** until you become a person that **cannot** use the quick method because of the type of business you carry on (see “Exceptions” on page 6).

Do **not** include revenues from supplies of financial services and sales of real property, capital assets, goodwill from the sale of a business, and, before January 1, 2017, eligible capital property.

If your election is no longer in effect, you have to start accounting for the GST/HST using the regular method:

- at the beginning of your next fiscal year if **both** of the following conditions apply:
 - you file annual returns
 - in your current fiscal year, you exceed the \$400,000 threshold or become a person that **cannot** use the quick method because of the type of business you carry on
- at the beginning of your second fiscal quarter of a fiscal year if **all** of the following conditions apply:
 - you file monthly or quarterly returns
 - your election to use the quick method **was** in effect at the beginning of that fiscal year
 - you exceeded the \$400,000 threshold in your previous fiscal year
- at the beginning of your next fiscal quarter if **all** of the following conditions apply:
 - you file monthly or quarterly returns
 - your election to use the quick method **was not** in effect at the beginning of the fiscal year
 - you exceeded the \$400,000 threshold in **both** the first four and the last four consecutive quarters of the previous five fiscal quarters
- at the beginning of a fiscal quarter if **both** of the following conditions apply:
 - you file monthly or quarterly returns
 - you become a person that **cannot** use the quick method because of the type of business you began to carry on in the fiscal quarter

Note

At the end of each fiscal year, make sure that your business is still eligible to use the quick method for the following year. Also make sure that the same category of rates applies to your business. Base your calculations on supplies made in the fiscal year that just ended.

Example

XYZ Clothing Store Winnipeg, Manitoba	
Taxable sales (including the GST/HST) for the quarters ending:	
March 31, 2023	\$ 92,000
June 30, 2023	\$ 98,000
September 30, 2023	\$ 103,000
December 31, 2023	\$ 123,000
Total sales for fiscal year ended December 31, 2023	\$ 416,000

XYZ Clothing Store is a quarterly filer and used the quick method throughout 2023. To see how long its election would stay in effect, the store had to review its taxable sales (including the GST/HST) for the previous fiscal year. Since its worldwide taxable sales for 2023 were more than \$400,000, it had to stop using the quick method at the **end** of the first fiscal quarter of 2024. This means it had to start calculating its GST/HST remittance using the regular method on April 1, 2024.

How to revoke the election

You can revoke the election only **after** your quick method election has been in effect for at least **one** year.

You can revoke the election by using the CRA’s online services in:

- My Business Account at canada.ca/my-cra-business-account, if you are a business owner
- Represent a Client at canada.ca/taxes-representatives, if you are an authorized representative or employee

You can also revoke the election by filling out Form GST74, *Election and Revocation of an Election to Use the Quick Method of Accounting*.

You have to revoke the election by the due date of the GST/HST return for the last reporting period for which you want to use the quick method.

If you revoke the election, **you have to wait at least one year** before you can elect to use the quick method again.

If you stop using the quick method, you **cannot** claim ITCs for any tax paid or payable on purchases you made while using it, other than the ITCs you would have been entitled to claim, but did **not** claim, while you were using the quick method.

Books and records

When you fill out your GST/HST return using the quick method, you do **not** have to indicate the actual GST/HST that you charged on most of your taxable supplies or the GST/HST paid or payable on most of your business purchases. However, you still have to keep all books and records related to your business purchases and your supplies for six years from the end of the year to which they relate. However, the CRA may ask you to keep the invoices longer than six years. If you want to destroy your records earlier, you have to send a written request and wait for the CRA's written approval to do so. For more information, see GST/HST Memorandum 15-1, General Requirements for Books and Records.

When you use the quick method

When you use the quick method, you still charge the GST at 5% or the HST at the applicable rate on your supplies of taxable property and services (other than zero-rated supplies), but you remit only a portion of that tax.

The HST rate can vary from one participating province to another. For the list of all applicable GST/HST rates, go to canada.ca/gst-hst and select "GST/HST calculator (and rates)" under "Most Requested."

The net tax you have to remit is calculated using the applicable quick method remittance rates. Usually only one of these rates will apply to your business. For more information, see "Quick method remittance rates" on this page.

You **cannot** claim ITCs for most of your purchases when you use the quick method. This is because the part of the tax that you keep accounts for the approximate value of the ITCs you would otherwise have claimed. For more information, see "Claiming input tax credits" on this page.

Supplies not eligible for the quick method calculation

The quick method calculation applies to most of your supplies of property and services. However, certain supplies you make are **not** eligible for this calculation. If you make a supply that is **not** eligible, you do **not** use a remittance rate to calculate how much tax you have to remit. Instead, you have to account for such a supply the same way you would if the election were **not** in effect. For example, if you make a supply that is **not** eligible and you charge 5% GST, you have to report the full amount of tax charged instead of using a quick method remittance rate.

The following supplies are **not** eligible for the quick method calculation:

- supplies on which the customer does **not** have to pay the tax, such as:
 - zero-rated supplies
 - supplies made outside Canada
 - certain supplies to Indians
- sales of real property

- sales of capital assets
- sales of eligible capital property (before January 1, 2017)
- supplies you made as an agent or auctioneer for which you must account for the tax paid
- supplies of property or services you made to an employee or shareholder for which you must account for tax on the value of the supplies and that is to be included in the individual's income as a taxable benefit for income tax purposes
- supplies of property (other than capital property) or services for which you had to self-assess tax because you appropriated property or services for the personal benefit of yourself, a shareholder, a beneficiary, a partner, a member of your organization, or related persons
- supplies of property or services for which you had to self-assess tax because you received a reimbursement under a warranty for property or services you acquired, and you were entitled to claim an ITC or rebate

Claiming input tax credits

You can claim any ITCs to which you are entitled for the following **only**:

- purchases of real property and improvements to real property
- purchases of capital property (other than real property), such as computers and vehicles, and improvements to capital property
- purchases of eligible capital property and improvements to eligible capital property (before January 1, 2017)
- purchases on which GST/HST became payable **before** your quick method election took effect, if the time limit to claim the amounts has **not** expired
- goods sold by an auctioneer or an agent on your behalf where the auctioneer or agent has to account for the tax
- goods you are considered to have bought to use only in your commercial activities if **both** of the following apply:
 - a non-resident, who is **not** registered for the GST/HST, transferred them to you, after paying tax on them
 - you provided a commercial service on the goods and then sold them, acting as an agent for the non-resident and collecting the GST/HST

Quick method remittance rates

Most businesses use only one remittance rate. The rate that applies depends on whether you make taxable supplies of property or services in a participating or non-participating province, and whether you make the supplies through a permanent establishment that is located in a participating or non-participating province. The type of business you are involved in is also a factor. For example, a business that provides mostly services generally has to use a different remittance rate than a business that is involved mostly in purchasing goods for resale.

In some cases, a business may have to use more than **one** remittance rate. For example, if a business makes supplies in both participating **and** non-participating provinces, more than **one** rate may apply. For more information, see chart “GST/HST quick method remittance rates for businesses that purchase goods for resale, based on the province where the permanent establishment (PE) of a business is located” below.

Note

The information in this section does **not** apply to the supplies listed in “Supplies not eligible for the quick method calculation” on this page.

Remittance rates for businesses that purchase goods for resale

Generally, retailers and wholesalers who purchase goods for resale use the first group of remittance rates. To be eligible to use these rates, the cost (including the GST/HST) of goods you purchased in your previous fiscal year for resale, or to use in goods you produce or manufacture for sale, must be **at least 40%** of your total revenue from annual taxable supplies (including the GST/HST) for that fiscal year. Do **not** include the annual taxable supplies of your associates in this calculation.

Note

If you began to use the quick method in your current fiscal year, your calculations should be based on your purchases and taxable supplies from either the first four **or** the last four consecutive quarters of the previous five quarters, instead of from your previous fiscal year.

Exclude **purchases** of basic groceries and purchases for which you are **not** required to pay tax from your calculation of the cost of goods you purchased.

Exclude **supplies** of basic groceries, financial services, and sales of real property, capital assets, goodwill from the sale of a business, and, before January 1, 2017, eligible capital property, as well as goods that you sold on behalf of someone else by auction from your calculation of your total annual taxable supplies, but **include** sales made by an auctioneer on your behalf.

The following are examples of businesses that may use this group of quick method remittance rates:

- antique dealers
- grocery and convenience stores
- art and craft shops
- boutiques and novelty stores
- service stations (gas)

GST/HST quick method remittance rates for businesses that purchase goods for resale, based on the province where the permanent establishment (PE) of a business is located			
	Column 1: PE located where GST at 5% applies	Column 2: PE located where HST at 13% applies	Column 3: PE located where HST at 15% applies
Supplies where GST at 5% applies	1.8%	0% (and 2.8% credit)	0% (and 4.0% credit)
Supplies where HST at 13% applies	8.8%	4.4%	3.3%
Supplies where HST at 15% applies	10.4%	6.1%	5.0%

If your business gives a point-of-sale rebate for sales of qualifying publications in the participating provinces, you can use the **1.8%** remittance rate for those sales if your cost of goods for resale is at least 40% of your total annual taxable sales (including the GST/HST but **not** including sales made by your associates). Qualifying publications include a printed book or an update of such a book, an audio recording, all or substantially all (90% or more) of which is a spoken reading of a printed book, and a bound or unbound printed version of scripture of any religion.

Note

A point-of-sale rebate is available on books in Newfoundland and Labrador until December 31, 2016, and again, as of January 1, 2018. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

Use the “Applicable rates” table on the next page to determine which column to use in the above table.

Applicable rates		
If the permanent establishment of your business is in:	During the following periods:	Use:
Alberta	■ On or after January 1, 2008	■ Column 1
British Columbia	■ On or after January 1, 2008, and before July 1, 2010; and on or after April 1, 2013	■ Column 1
Manitoba	■ On or after January 1, 2008	■ Column 1
New Brunswick	■ On or after July 1, 2016	■ Column 3
Newfoundland and Labrador	■ On or after July 1, 2016	■ Column 3
Northwest Territories	■ On or after January 1, 2008	■ Column 1
Nunavut	■ On or after January 1, 2008	■ Column 1
Nova Scotia	■ On or after July 1, 2010	■ Column 3
Ontario	■ On or after July 1, 2010	■ Column 2
Prince Edward Island	■ On or after October 1, 2016	■ Column 3
Saskatchewan	■ On or after January 1, 2008	■ Column 1
Yukon	■ On or after January 1, 2008	■ Column 1

Remittance rates for businesses that provide services

The next group of remittance rates is for businesses that do **not** qualify to use the first group of remittance rates, mentioned in the previous section. Generally, these rates are to be used by small businesses that provide services.

The following are examples of businesses that may use this group of remittance rates:

- auto repair shops
- campgrounds
- caterers
- delicatessens
- delivery service
- dry cleaners
- fast-food outlets
- house-cleaning services
- painting contractors
- photographers
- small manufacturers
- taxi drivers
- travel agencies

GST/HST quick method remittance rates for businesses that provide services, based on the province where the permanent establishment (PE) of a business is located			
	Column 1: PE located where GST at 5% applies	Column 2: PE located where HST at 13% applies	Column 3: PE located where HST at 15% applies
Supplies where GST at 5% applies	3.6%	1.8%	1.4%
Supplies where HST at 13% applies	10.5%	8.8%	8.4%
Supplies where HST at 15% applies	12.0%	10.4%	10.0%

If your business gives a point-of-sale rebate for sales of qualifying publications in the participating provinces, use the **3.6%** remittance rate for those sales. Qualifying publications include a printed book or an update of such a book, an audio recording, all or substantially all (90% or more) of which is a spoken reading of a printed book, and a bound or unbound printed version of scripture of any religion.

Note

A point-of-sale rebate is available on books in Newfoundland and Labrador until December 31, 2016, and again, as of January 1, 2018. For more information, see Guide RC4022, *General Information for GST/HST Registrants*.

Use the “Applicable rates” table on the previous page to determine which column to use in the above table.

Supplies in both participating and non-participating provinces

If you make supplies in both participating and non-participating provinces, you normally have to use more than one remittance rate. However, special rules apply when **90% or more** of the eligible supplies you made in a reporting period were in either a participating province or a non-participating province. These rules are as follows:

- If 90% or more of the eligible supplies you made through a permanent establishment in a reporting period were made in a participating province, only use the rate that you would have to use if all eligible supplies were made in the participating province.
- If 90% or more of the eligible supplies you made through a permanent establishment in a reporting period were made in non-participating provinces, only use the rate that you would have to use if all eligible supplies were made in a non-participating province.

If neither of these situations applies to you, you may have to use more than one remittance rate unless 90% or more of the eligible supplies you made through a permanent establishment in a reporting period were made in participating provinces that have the same HST rate.

Credit of 1% on the first \$30,000 of revenue from your eligible supplies

In calculating your net tax using the quick method, you are entitled to a 1% credit on the first \$30,000 of revenue from your eligible supplies (including the GST/HST) on which you must collect the GST at 5% or the HST at the applicable rate (see the chart on this page) in **each** fiscal year.

To qualify for the 1% credit, your quick method election must be in effect at the beginning of a fiscal year, or if you are a new registrant, on the day you became a registrant.

If you file monthly or quarterly GST/HST returns, the 1% credit applies to the first and the following reporting periods of a fiscal year until you reach the \$30,000 threshold, or the fiscal year ends. If you file annual GST/HST returns, use the 1% credit on your first \$30,000 of revenue from your eligible supplies in that fiscal year.

If the 0% remittance rate applies to your eligible sales, you are entitled to the 1% credit in addition to the credit given to businesses that purchase goods for resale (for more information, see the remittance rates chart on this page).

Note

If you do **not** make \$30,000 in revenue from eligible supplies in a fiscal year, you **cannot** carry forward any unused portion of the credit to a later fiscal year.

Special situations

Self-assessment of the provincial part of the HST

In some cases, you may have to self-assess the provincial part of the HST, but you **cannot** use the quick method calculation to do so. Self-assessment may be required in the following situations:

- You bring goods into a participating province from another province.
- You have goods delivered or made available to you in a participating province by a non-resident who is **not** registered for GST/HST purposes.
- You are a resident of a participating province and you acquire, in a particular province, intangible personal property (IPP) or a service for consumption, use or supply in whole or in part in any participating province.
- You import commercial goods into a participating province.
- You import services, or IPP that is **not** acquired for consumption, use or supply exclusively (90% or more) in the course of your commercial activities in the participating provinces.

Note

If you import services, or IPP that is **not** acquired for consumption, use, or supply exclusively in the course of your commercial activities, you may have to self-assess the GST or federal part of the HST, at the applicable rate.

If you have to self-assess any amount of the GST/HST, report the amount on **line 405** of your GST/HST return.

For more information on self-assessment, see:

- Guide RC4022, *General Information for GST/HST Registrants*
- Notice 266 – For discussion purposes only – Draft GST/HST Technical Information Bulletin, Harmonized Sales Tax – Self-assessment of the provincial part of HST in respect of property and services brought into a participating province

Bad debts

When you use the quick method to calculate your net tax, you **cannot** make adjustments to your net tax for bad debts, except for supplies that are **not** eligible for the quick method calculation.

Credit adjustments

If you give a customer a credit, refund, or rebate because you reduced the price of a good or a service that is eligible for the quick method calculation (see page 8 for a list of supplies that are **not eligible**), deduct the amount of the credit, refund, or rebate from the amount of your revenue from total eligible supplies **before** calculating your net tax using the remittance rate. This adjustment should be made for the reporting period during which you credited or paid the amount to your customers.

Trade-ins

If you use the quick method, you have to include in your sales calculations any amount credited to a purchaser for a trade-in. For example, you sell a pair of skates for \$100 and accept a used pair of skates as a trade. You give a credit of \$35 for the new skates. You have to include \$100 in the total eligible sales for your net tax calculation.

Changes in the nature of your business

If your business adds a new service, purchases the operations of another firm, or significantly changes its product lines or sales patterns, you have to determine your eligibility to continue using the quick method and the remittance rates that apply to your eligible supplies.

If the nature of your business changes, see “Determine if you can make this election” on page 5 to determine if you are still a person who can use the quick method. If you are no longer eligible, see “Duration of this election” on page 7 to determine when you have to start calculating your GST/HST remittance using the regular method.

Filling out your GST/HST return using the quick method

If you only have to use one remittance rate, follow these steps. Only fill out the lines of the return that apply to you.

If you have to use more than one remittance rate, follow these instructions separately for **each** rate.

Line 101 – Sales and other revenue

For each reporting period, add your revenues from taxable supplies (include the GST/HST at the rate that applied at that time) and enter the total on **line 101**, rounded off to the nearest dollar.

Do **not** include the following on **line 101**:

- revenue from supplies that are not eligible for the quick method calculation (see “Supplies not eligible for the quick method calculation” on page 8)
- revenue from supplies on which no GST/HST was charged (such as zero-rated supplies, exempt supplies, supplies made outside Canada, or goods and services sold to individuals registered under the *Indian Act*)
- provincial sales tax, if you had to charge the GST

Note

If you file your return electronically using the quick method, do **not** choose the option to fill out lines 90, 91, and 102.

Line 103 – GST/HST collected or collectible

Step 1: Multiply the total you entered on **line 101** by the remittance rate that applies for that reporting period. To determine the applicable rate, see “Quick method remittance rates” on page 8.

Step 2: Calculate the GST/HST you collected, or that became collectible on your taxable supplies that are **not** eligible. For a list of these supplies, see “Supplies not eligible for the quick method calculation” on page 8.

Step 3: Add the amounts from Step 1 and Step 2, and enter the result on **line 103** if you are filing electronically using GST/HST NETFILE or if you are filing a paper GST/HST return, or in your **line 105** calculation if you are filing using GST/HST TELEFILE.

Line 104 – Adjustment to be added to the net tax

Enter the total of any adjustments to be added to the net tax for the reporting period (for example, the GST/HST you obtained on the recovery of a bad debt from supplies that are **not eligible** for the quick method calculation) and include it on **line 104** if you are filing electronically using GST/HST NETFILE or if you are filing a paper return, or include it in your **line 105** calculation if you are filing a return using GST/HST TELEFILE.

Line 105 – Total GST/HST and adjustments for the period

If you are filling out a GST/HST return electronically, **line 105** will be automatically calculated based on the information you provided for **lines 103** and **104**.

If you file a paper return or are using GST/HST TELEFILE, add the amounts on **lines 103** and **104**, and enter the result on **line 105**.

Line 106 – GST/HST paid or payable (ITCs)

Add any amounts that you are eligible to claim as an ITC and enter the total on **line 106** if you are filing electronically using GST/HST NETFILE or if you are filing a paper return, or in your **line 108** calculation if you are filing a return using GST/HST TELEFILE. See “Claiming input tax credits” on page 8 for a list of the purchases and expenses for which you are still eligible to claim ITCs. The quick method remittance rates already take into account the ITCs for operating expenses and inventory purchases. Do **not** include any GST/HST paid or payable on these types of costs.

If the 0% remittance rate applies to your eligible supplies, add the applicable credit (see “Quick method remittance rate” on page 9) for those supplies (including the GST) and enter the total on **line 106** if you are filing electronically using GST/HST NETFILE or if you are filing a paper return, or in your **line 108** calculation if you are filing a return using GST/HST TELEFILE.

Line 107 – Adjustments to be deducted when determining the net tax

If you are entitled to the 1% credit on the first \$30,000 of revenue from your eligible supplies, enter the amount of the credit on **line 107** if you are filing electronically using GST/HST NETFILE or if you are filing a paper return, or in your **line 108** calculation if you are filing a

return using GST/HST TELEFILE. For more information, see “Credit of 1% on the first \$30,000 of revenue from your eligible supplies” on page 11.

Also enter the total of any adjustments to be deducted when determining the net tax for the reporting period (for example, the GST/HST included in a bad debt from supplies that are **not eligible** for the quick method calculation).

Line 108 – Total ITCs and adjustments

If you are filling out a GST/HST return electronically, **line 108** will be automatically calculated based on the information you provided for **lines 106** and **107**.

If you file a paper return or are using GST/HST TELEFILE, add the amounts on **lines 106** and **107**, and enter the result on **line 108**.

Line 109 – Net tax

If you are filling out a GST/HST return electronically (or using GST/HST TELEFILE), **line 109** will be automatically calculated based on the information you provided to fill out the other lines.

If you file a paper return, subtract the amount on **line 108** from the amount on **line 105** and enter the result on **line 109**. If the result is negative, enter a minus sign (-) in the box next to the line number.

Line 110 – Instalment and other annual filer payments

Enter any instalment and other annual filer payments you made for the reporting period on **line 110**.

Line 111 – Rebates

Enter the total amount of GST/HST rebates **only** if the rebate form indicates that you can claim the amount on **line 111**. If you have entered an amount on **line 111**, attach the rebate application to the GST/HST return.

Note

The rebate application is only attached to the return when filing a paper return. If you are filing electronically, the rebate application must be mailed separately (or submitted electronically if available) by the due date of the return.

Line 112 – Total other credits

Add the amounts on **lines 110** and **111**, and enter the result on **line 112**.

Line 113 A – Balance

Subtract the amount on **line 112** from the amount on **line 109** and enter the result on **line 113 A**. If the result is negative, enter a minus sign (-) in the box next to the line number.

Line 205 – GST/HST due on the purchases of real property or purchases of emission allowances

If you purchased taxable real property (other than a purchase of a residential complex by an individual) or taxable carbon emission allowances and have to remit the GST/HST on these purchases, enter the amount of that GST/HST on **line 205**.

Line 405 – Other GST/HST to be self-assessed

Enter the applicable amount of GST/HST you have to self-assess when you bring property or a service into a participating province, or when you import commercial goods, services, or intangible property into Canada. For more information, see “Self-assessment of the provincial part of the HST” on page 12.

Line 113 B – Total other debits

Add the amounts on **lines 205** and **405**, and enter the result on **line 113 B**.

Line 113 C – Balance

Add the amounts on **lines 113 A** and **113 B** and enter the result on **line 113 C**. If the result is negative, enter a minus sign (-) in the box next to the line number.

Line 114 – Refund claimed

If the amount entered on **line 113 C** is negative, enter this amount on **line 114** to claim your refund.

Note

Generally, a difference of \$2 or less is neither required or refunded.

Line 115 – Amount owing

If the amount on **line 113 C** is positive, enter this amount on **line 115**. If you file a **paper return**, enter this amount on the return portion (Part 2) that you will send to the CRA. Enclose a cheque for this amount.

You can make your remittance online using My Payment. For more information, go to canada.ca/cra-my-payment. You can also pay electronically using your financial institution's internet or telephone banking service.

If you choose **not** to pay electronically and are **not** enclosing a cheque with your return, use Form RC158, *Remittance Voucher – Payment on Filing*, to make your payment.

Example

Al and Bob's Lumber Yard sold goods in both a participating and a non-participating province through their permanent establishment in Ontario.

Al and Bob's Lumber Yard Hamilton, Ontario	
Annual purchases and sales for 2023	
Total purchases related to goods for resale (including the GST/HST)	\$ 63,000
Total annual taxable sales (including the GST/HST)	\$140,000
Percentage of purchases to sales	45%
First quarter sales for 2024	
Total eligible sales, including the GST, made in Winnipeg, Manitoba, through the permanent establishment in Hamilton (20% of lumber sales)	\$ 9,000
Total eligible sales, including the HST, made in Hamilton through the permanent establishment in Hamilton (80% of lumber sales)	\$ 36,000
Total eligible sales (Al and Bob's Lumber Yard would enter this amount on line 101 of its GST/HST return)	\$ 45,000

This company used the quick method throughout 2023.

In 2023, the company's annual worldwide taxable sales (including the GST/HST) were not more than \$400,000. This means that the company can continue to use the quick method in 2024.

The company’s 2023 purchases (including the GST/HST) of goods for resale were more than 40% of the total annual taxable sales (including the GST/HST).

For the first quarter of 2024, the company has to use two different remittance rates because it has sales in Ontario (a participating province), **and** in Manitoba (a non-participating province) and it does **not** make **at least 90%** of its total taxable sales in **one** of these provinces.

The remittance rate for the eligible sales made in Manitoba is 0%. The remittance rate for the eligible sales made in Ontario is 4.4%. This company can deduct a credit of 2.8% for the eligible sales made in Manitoba.

Quick method calculation for Al and Bob’s Lumber Yard	
Calculation of GST/HST remittance in first quarter of 2024	
Multiply the eligible sales made in Manitoba (\$9,000), including the GST, by the 0% remittance rate	\$ 0
Multiply the eligible sales made in Ontario (\$36,000), including the HST, by the 4.4% remittance rate	\$ 1,584
(Al and Bob’s Lumber Yard would enter the total of these two amounts on line 103 of its GST/HST return)	
Deduct 2.8% for the \$9,000 eligible sales made in Manitoba (Al and Bob’s Lumber Yard would enter this amount on line 106 of its GST/HST return)	\$ (252)
Deduct 1% for the first \$30,000 of eligible sales (Al and Bob’s Lumber Yard would enter this amount on line 107 of its GST/HST return)	\$ (300)
First quarter remittance (Al and Bob’s Lumber Yard would enter this amount on line 115 of its GST/HST return)	\$ 1,032

Forms and publications

The CRA offers a wide range of publications in both official languages. For a list of all GST/HST publications, go to canada.ca/gst-hst-pub.

- Pamphlets and booklets are available on a variety of subjects.
- Guides contain more detailed information on how the GST/HST affects specific types of businesses and organizations.
- Info Sheets provide explanations on specific topics.
- GST/HST Memoranda give more in-depth technical information on administrative and policy aspects of the GST/HST, and are aimed at tax professionals.
- GST/HST Notices provide explanations on recent changes.
- Technical Information Bulletins announce changes to GST/HST legislation and administrative policy in specific areas.

Revenu Québec administers the GST/HST in Quebec. If the physical location of your business is located in Quebec, contact Revenu Québec, unless you are a person that is a selected listed financial institution (SLFI) for GST/HST or QST purposes or both. If you are an SLFI, go to canada.ca/gst-hst-financial-institutions.

Forms

There are a number of options available to businesses and organizations to make it easier to comply with the GST/HST. These options, called **elections** or **applications**, allow you to adapt the administrative requirements of the GST/HST to your own business activity. While some options are available to **all** registrants, other options are available only to organizations and businesses that meet certain conditions.

Other forms are used to remit an amount of tax. They are called returns or remittance vouchers.

Elections

You can make an election if you meet **all** the eligibility criteria.

You are responsible for ensuring that you meet the conditions of the election. At the time of an audit, the CRA reserves the right to verify your eligibility and to disallow an election if you have **not** met the requirements.

Applications

Applications are different from elections. You have to meet the necessary requirements, and for many applications, you can call the CRA or fill out the form and mail it. The CRA has to acknowledge that your application has been processed and approved before you can begin to use the procedure for which you have applied.

Digital services

GST/HST electronic filing and remitting

You have several options for filing your GST/HST return or remitting an amount owing electronically. For more information, go to canada.ca/gst-hst.

Handle your business taxes online

My Business Account lets you view and manage your business taxes online.

Use My Business Account throughout the year to:

- make a payment online to the CRA with the My Payment service, create a pre-authorized debit (PAD) agreement or create a QR code to pay in person at Canada Post for a fee (for more information on how to make a payment, go to canada.ca/payments)
- file a return, view the status of filed returns and adjust returns online
- submit documents to the CRA
- manage authorized representatives and authorization requests
- register to receive email notifications and to view mail from the CRA in My Business Account
- manage addresses, direct deposit information, program account names, operating names, phone numbers and business numbers in your profile
- file an election related to GST/HST
- view and pay account balances
- calculate and make instalment payments
- calculate a future balance
- transfer payments and immediately view the updated balance
- make an online request regarding your account and view answers to common enquiries
- track the progress of certain files you have submitted to the CRA
- submit an audit enquiry
- request relief of penalties and interest
- manage multi-factor authentication settings

To sign in to or register for the CRA's digital services, go to:

- My Business Account, at canada.ca/my-cra-business-account, if you are a business owner
- Represent a Client, at canada.ca/taxes-representatives, if you are an authorized representative

For more information, go to canada.ca/taxes-business-online.

Receive your CRA mail online

Register for email notifications to find out when CRA mail, like your notice of assessment, is available in My Business Account.

For more information, go to canada.ca/cra-email-notifications.

Create a pre-authorized debit agreement for payments from your Canadian chequing account

A pre-authorized debit (PAD) is a secure online self-service payment option for individuals and businesses to pay their taxes. A PAD lets you authorize withdrawals from your Canadian chequing account to pay the CRA. You can set the payment dates and amounts of your PAD agreement using the CRA's secure My Business Account service at canada.ca/my-cra-business-account. PADs are flexible and managed by you. You can use My Business Account to view your account history and modify, cancel or skip a payment. For more information, go to canada.ca/pay-authorized-debit.

Electronic payments

Make your payment using:

- your Canadian bank or credit union's online banking, mobile app or telephone service
- the CRA's My Payment service at canada.ca/cra-my-payment with your activated debit card from a participating Canadian bank or credit union with one or more of the following logos: Visa® Debit, Debit MasterCard® or Interac® Online (does **not** include credit cards)
- pre-authorized debit (PAD) at canada.ca/my-cra-business-account which lets you:
 - set up payments to the CRA from a Canadian chequing account on pre-set dates starting in five or more business days
 - pay an amount due, repay overpaid amounts or make instalment payments
 - view your account history and modify, cancel or skip a payment (for more information on PAD, go to canada.ca/pay-authorized-debit)
- the "Proceed to pay" button on the "View and pay account balance" page and other pages within My Business Account
- your credit card, Interac e-transfer, or Paypal through one of the third-party service providers **for a fee**

For more information, go to canada.ca/payments.

For more information

If you need help

If you need more information after reading this guide, go to canada.ca/taxes or call 1-800-959-5525.

Direct deposit

Direct deposit is a fast, convenient and secure way to receive your CRA payments directly in your account at a financial institution in Canada. For more information and ways to enrol, go to canada.ca/cra-direct-deposit or contact your financial institution.

Forms and publications

The CRA encourages you to file your return electronically. If you need a paper version of the CRA's forms and publications, go to canada.ca/cra-forms-publications or call 1-800-959-5525.

Ordering personalized remittance forms

The following personalized remittance forms are **not** available on the CRA's website. The CRA only provides them in a pre-printed format:

- RC158, *Remittance Voucher – Payment on Filing*
- RC159, *Remittance Voucher – Amount Owing*
- RC160, *Remittance Voucher – Interim Payments*
- RC177, *Remittance Voucher – Balance Due*

You can order these remittance vouchers online, using:

- My Business Account at canada.ca/my-cra-business-account, if you are a business owner
- Represent a Client at canada.ca/taxes-representatives, if you are an authorized representative or employee

Electronic mailing lists

The CRA can send you an email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to canada.ca/cra-email-lists.

Tax Information Phone Service (TIPS)

For tax information by telephone, use the CRA's automated service, TIPS, by calling 1-800-267-6999.

Teletypewriter (TTY) and Video Relay Service (Canada VRS) users

If you use a TTY for a hearing or speech impairment, call 1-800-665-0354.

If you use the Canada VRS application, call 1-800-561-6393.

If you use another **operator-assisted relay service**, call the CRA's regular telephone numbers instead of the TTY or Canada VRS numbers.

GST/HST rulings and interpretations

You may request a ruling or interpretation on how the GST/HST applies to a specific transaction for your operations. This service is provided free of charge. For the mailing address or fax number of the closest GST/HST rulings centre, see GST/HST Memorandum 1-4, Excise and GST/HST Rulings and Interpretations Service, or call 1-800-959-8287.

Formal disputes (objections and appeals)

You have the right to file an objection if you disagree with an assessment, determination, or decision.

For more information, go to canada.ca/cra-file-objection.

CRA service feedback program

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA. For more information about the *Taxpayer Bill of Rights*, go to canada.ca/taxpayer-rights.

You may provide compliments or suggestions, and if you are not satisfied with the service you received:

1. Try to resolve the matter with the employee you have been dealing with or call the telephone number provided in the correspondence you received from the CRA. If you do not have contact information for the CRA, go to canada.ca/cra-contact
2. If you have not been able to resolve your service-related issue, you can ask to discuss the matter with the employee's supervisor
3. If the problem is still not resolved, you can file a service-related complaint by filling out Form RC193, *Service Feedback*. For more information and to learn how to file a complaint, go to canada.ca/cra-service-feedback

If you are not satisfied with how the CRA has handled your service-related complaint, you can submit a complaint to the Office of the Taxpayers' Ombudsperson.

Reprisal complaints

If you have received a response regarding a previously submitted service complaint or a formal review of a CRA decision and feel you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, *Reprisal Complaint*.

For more information, go to canada.ca/cra-reprisal-complaints.

Due dates

When a due date falls on a Saturday, Sunday or public holiday recognized by the CRA, your payment is

considered on time if the CRA receives it on or before the next business day.

For more information, go to canada.ca/taxes-dates-individuals.

Cancel or waive penalties and interest

The CRA administers legislation, commonly called the taxpayer relief provisions, that gives the CRA discretion to cancel or waive penalties and interest when taxpayers cannot meet their tax obligations due to circumstances beyond their control.

The CRA's discretion to grant relief is limited to any period that ended within 10 calendar years before the year in which a relief request is made.

For penalties, the CRA will consider your request only if it relates to a tax year or fiscal period ending in any of the 10 calendar years before the year in which you make your request. For example, your request made in 2024 must relate to a penalty for a tax year or fiscal period ending in 2014 or later.

For interest on a balance owing for any tax year or fiscal period, the CRA will consider only the amounts that accrued during the 10 calendar years before the year in which you make your request. For example, your request made in 2024 must relate to interest that accrued in 2014 or later.

Taxpayer relief requests can be made online using the CRA's My Account, My Business Account (MyBA) or Represent a Client digital services:

- **My Account:** After signing in, select "Accounts and payments," then "Request relief of penalties and interest."
- **MyBA or Represent a Client:** After signing in, on the overview page, select the appropriate program from the left menu and then select the account. Finally, select "Request relief of penalties and interest" from the right menu.

You can also fill out Form RC4288, *Request for Taxpayer Relief – Cancel or Waive Penalties and Interest*, and send it in one of the following ways:

- online using My Account: select "Submit documents" from the left menu; then select "Submit documents" again at the bottom of the next page; and then follow the instructions
- online using MyBA or Represent a Client: for a new case select "Submit documents" from the left menu; then select "No case or reference number?"; and finally, select "Request taxpayer relief - cancel or waive penalties and interest (Form RC4288)"
- by mail to the designated office, as shown on the last page of the form, based on your place of residence

For information on the "Submit Documents online" service, go to canada.ca/cra-submit-documents-online.

For more details on the required supporting documents, relief from penalties and interest and other related forms and publications, go to canada.ca/penalty-interest-relief.