

Joint and
several
liability

(3) A trustee of a trust is jointly and severally liable with the trust and each of the other trustees, if any, for the payment or remittance of all amounts that become payable or remittable by the trust under this Part before or during the period during which the trustee acts as trustee of the trust except that

(a) the trustee is liable for the payment or remittance of amounts that became payable or remittable before the period only to the extent of the property and money of the trust under the control of the trustee; and

(b) the payment or remittance by the trust or the trustee of an amount in respect of the liability discharges the joint liability to the extent of that amount.

Waiver

(4) The Minister may, in writing, waive the requirement for the personal representative of a deceased individual to file a return for a reporting period of the individual ending on or before the day the individual died.

Activities of a
trustee

(5) For the purposes of this Part, where a person acts as trustee of a trust,

(a) anything done by the person in the person's capacity as trustee of the trust is deemed to have been done by the trust and not by the person; and

(b) notwithstanding paragraph (a), where the person is not an officer of the trust, the person is deemed to supply a service to the trust of acting as a trustee of the trust and any amount to which the person is entitled for acting in that capacity that is included in computing, for the purposes of the *Income Tax Act*, the person's income or, where the person is an individual, the person's income from a business, is deemed to be consideration for that supply.

Inter vivos
trust

268. For the purposes of this Part, where a person settles property on an *inter vivos* trust,

(a) the person is deemed to have made and the trust is deemed to have received a supply by way of sale of the property; and

(b) the supply is deemed to have been made for consideration equal to the amount determined under the *Income Tax Act* to be the proceeds of disposition of the property.

Distribution by
trust

269. For the purposes of this Part, where a trustee of a trust distributes property of the trust to one or more persons, the distribution of the property is deemed to be a supply of the property made by the trust for consideration equal to the amount determined under the *Income Tax Act* to be the proceeds of disposition of the property.

(2) Subsection (1) is deemed to have come into force on December 17, 1990 except that

(a) paragraphs 267(a) and (b) of the Act, as enacted by subsection (1), do not apply to reporting periods of an individual or the individual's estate where the individual died on or before April 23, 1996; and

(b) in applying section 269 of the Act, as enacted by subsection (1), to distributions made on or before April 23, 1996, the reference in that section to "one or more persons" shall be read as a reference to "beneficiaries of the trust".

1993, c. 27, s.
123(1)

74. (1) Paragraph (b) of the definition "representative" in subsection 270(1) of the Act is replaced by the following:

(b) a trustee of a trust that is a registrant.

(2) Subsection (1) is deemed to have come into force on April 24, 1996 and any reference in section 270 of the Act as it read at any time before that day to an executor shall be read as a reference to a personal representative.

1993, c. 27, s.
123(1)

75. (1) The heading "Amalgamation, winding-up and joint ventures" before section 271 of the Act is replaced by the following:

Amalgamation and winding-up

(2) Subsection (1) is deemed to have come into force on April 24, 1996.

76. (1) The Act is amended by adding the following after section 272:

Subdivision b.1

Partnerships and joint ventures

Partnerships

272.1 (1) For the purposes of this Part, anything done by a person as a member of a partnership is deemed to have been done by the partnership in the course of the partnership's activities and not to have been done by the person.

Acquisitions by member

(2) Notwithstanding subsection (1), where property or a service is acquired or imported by a member of a partnership for consumption, use or supply in the course of activities of the partnership but not on the account of the partnership, the following rules apply:

(a) the partnership is deemed not to have acquired or imported the property or service except as otherwise provided in subsection 175(1);

(b) where the member is not an individual, for the purpose of determining an input tax credit or rebate of the member in respect of the property or service and, in the case of property that is acquired or imported for use as capital property of the member, applying Subdivision d of Division II in relation to the property, subsection (1) does not apply to deem the member not to have acquired or imported the property or service and the member is deemed to be engaged in those activities of the partnership; and

(c) where the member is not an individual and the partnership at any time pays an amount to the member as a reimbursement and is entitled to claim an input tax credit in respect of the property or service in circumstances in which subsection 175(1) applies, any input tax credit in respect of the property or service that the member would, but for this paragraph, be entitled to claim in a return of the member that is filed with the Minister after that time shall be reduced by the amount of the input tax credit that the partnership is entitled to claim.

Supply to
partnership

(3) Where a person who is or agrees to become a member of a partnership supplies property or a service to the partnership otherwise than in the course of the partnership's activities

(a) where the property or service is acquired by the partnership for consumption, use or supply exclusively in the course of commercial activities of the partnership, any amount that the partnership agrees to pay to or credit the person in respect of the property or service is deemed to be consideration for the supply that becomes due at the time the amount is paid or credited; and

(b) in any other case, the supply is deemed to have been made for consideration that becomes due at the time the supply is made equal to the fair market value at that time of the property or service acquired by the partnership determined as if the person were not a member of the partnership and were dealing at arm's length with the partnership.

Deemed supply
to partner

(4) Where a partnership disposes of property of the partnership

(a) to a person who, at the time the disposition is agreed to or otherwise arranged, is or has agreed to become a member of the partnership, or

(b) to a person as a consequence of that person ceasing to be a member of the partnership,

the following rules apply:

(c) the partnership is deemed to have made to the person, and the person is deemed to have received from the partnership, a supply of the property for consideration that becomes due at the time the property is disposed of equal to the total fair market value of the property (including the fair market value of the person's interest in the property) immediately before the time the property is disposed of, and

(d) subsection 172(2) does not apply in respect of the supply.

Joint and
several
liability

(5) A partnership and each member or former member (each of which is referred to in this subsection as the "member") of the partnership (other than a member who is a limited partner and is not a general partner) are jointly and severally liable for

(a) the payment or remittance of all amounts that become payable or remittable by the partnership under this Part before or during the period during which the member is a member of the partnership or, where the member was a member of the partnership at the time the partnership was dissolved, after the dissolution of the partnership, except that

(i) the member is liable for the payment or remittance of amounts that become payable or remittable before the period only to the extent of the property and money that is regarded as property or money of the partnership under the relevant laws of general application in force in a province relating to partnerships, and

(ii) the payment or remittance by the partnership or by any member thereof of an amount in respect of the liability discharges the joint liability to the extent of that amount; and

(b) all other obligations under this Part that arose before or during that period for which the partnership is liable or, where the member was a member of the partnership at the time the partnership was dissolved, the obligations that arose upon or as a consequence of the dissolution.

Continuation of
partnership

(6) Where a partnership would, but for this subsection, be regarded as having ceased to exist, the partnership is deemed for the purposes of this Part not to have ceased to exist until the registration of the partnership is cancelled.

Continuation of
predecessor
partnership by
new partnership

(7) Where

(a) a partnership (in this subsection referred to as the "predecessor partnership") would, but for this section, be regarded as having ceased at any time to exist,

(b) a majority of the members of the predecessor partnership that together had, at or immediately before that time, more

than a 50% interest in the capital of the predecessor partnership become members of another partnership of which they comprise more than half of the members, and

(c) the members of the predecessor partnership who become members of the other partnership transfer to the other partnership all or substantially all of the property distributed to them in settlement of their capital interests in the predecessor partnership,

except where the other partnership is registered or applies for registration under section 240, the other partnership is deemed to be a continuation of and the same person as the predecessor partnership.

(2) Subsection (1) is deemed to have come into force on April 24, 1996 except that

(a) subsection 272.1(2) of the Act, as enacted by subsection (1), also applies for the purpose of determining an input tax credit for a reporting period beginning on or before April 23, 1996 claimed in a return that is received by the Minister of National Revenue on or after that day or deemed under paragraph 296(5)(a) of the Act to have been claimed as a result of an assessment made on or after that day;

(b) where a supply or disposition referred to in subsection 272.1(3) or (4) of the Act, as enacted by subsection (1), was made by a registrant to another person on or before April 23, 1996 and the amount charged or collected as or on account of tax under Part IX of the Act in respect of the supply or disposition exceeds the amount of tax under that Part that was payable in respect of the supply or disposition,

(i) where the Minister of National Revenue receives, on or after April 23, 1996, an application under subsection 261(1) of the Act for a rebate of the excess (other than an application deemed under paragraph 296(5)(a) of the Act to have been filed as a result of an assessment made on or after that day), subsections 272.1(3) and (4) of the Act, as enacted by subsection (1), apply to the supply or disposition for the purpose of determining the amount of the rebate if any, and

(ii) in any other case (except where the Minister of National Revenue received, before April 23, 1996, an application under subsection 261(1) of the Act for a rebate of the excess), the amount charged or collected as or on account of tax under Part IX of the Act in respect of the supply or disposition is deemed to be the amount of tax under that Part that was payable in respect of the

supply or disposition; and

(c) subsection 272.1(5) of the Act, as enacted by subsection (1), applies to amounts that become payable or remittable after April 23, 1996 and to all other amounts and obligations outstanding after that day.

1990, c. 45, s.
12(1)

77. (1) Section 279 of the Act is replaced by the following:

Meaning of
"electronic
filing"

278.1 (1) For the purposes of this section, "electronic filing" means using electronic media in a manner specified in writing by the Minister.

Application for
electronic
filing

(2) A person who is required to file with the Minister returns under this Part and who meets the criteria specified in writing by the Minister may file with the Minister in prescribed manner an application, in prescribed form containing prescribed information, for authorization to file the returns by way of electronic filing.

Authorization

(3) Where the Minister receives an application of a person under subsection (2) and is satisfied that the person meets the criteria referred to in that subsection, the Minister may, in writing, authorize the person to file returns by way of electronic filing, subject to such conditions as the Minister may at any time impose.

Revocation

(4) The Minister may revoke an authorization granted to a person under subsection (3) where

(a) the person, in writing, requests the Minister to revoke the authorization,

(b) the person fails to comply with any condition imposed in respect of the authorization or any provision of this Part,

(c) the Minister is no longer satisfied that the criteria

referred to in subsection (2) are met, or

(d) the Minister considers that the authorization is no longer required,

and shall notify the person in writing of the revocation and its effective date.

Deemed filing

(5) For the purposes of this Part, where a person files a return by way of electronic filing, it is deemed to be a return in prescribed form filed with the Minister on the day the Minister acknowledges acceptance of it.

Execution of documents

279. A return (other than a return filed by way of electronic filing under section 278.1), certificate or other document made by a person (other than an individual) under this Part or under a regulation made under this Part shall be signed on behalf of the person by an individual duly authorized to do so by the person or the governing body of the person and, where the person is a corporation or an association or organization that has duly elected or appointed officers, the president, vice-president, secretary and treasurer thereof, or other equivalent officers, are deemed to be so duly authorized.

(2) Subsection (1) applies after September 1994.

1993, c. 27, s.
129(1)

78. (1) Paragraph 296(1)(e) of the Act is replaced by the following:

(e) any amount which a person is liable to pay or remit under subsection 177(1.1) or Subdivision a or b.1 of Division VII,

1990, c. 45, s.
12(1); 1993, c.
27, s. 129(2),
(3)

(2) Subsections 296(2) to (5) of the Act are replaced by the following:

Allowance of
unclaimed
credit

(2) Where, in assessing the net tax of a person for a particular reporting period of the person, the Minister determines that

(a) an amount (in this subsection referred to as the "allowable credit") would have been allowed as an input tax credit for the particular reporting period or as a deduction in determining the net tax for the particular reporting period if it had been claimed in a return under Division V for the particular reporting period filed on the day that is the day on or before which the return for the particular reporting period was required to be filed and the requirements, if any, of subsection 169(4) or 234(1) respecting documentation that apply in respect of the allowable credit had been met,

(b) the allowable credit was not claimed by the person in a return filed before the day notice of the assessment is sent to the person or was so claimed but was disallowed by the Minister, and

(c) the allowable credit would be allowed, as an input tax credit or deduction in determining the net tax for a reporting period of the person, if it were claimed in a return under Division V filed on the day notice of the assessment is sent to the person or would be disallowed if it were claimed in that return only because the period for claiming the allowable credit expired before that day,

the Minister may take the allowable credit into account in assessing the net tax for the particular reporting period as if the person had claimed the allowable credit in a return filed for the period.

Allowance of
unclaimed
rebate

(2.1) Where, in assessing the net tax of a person for a reporting period of the person or an amount (in this subsection referred to as the "overdue amount") that became payable by a person under this Part, the Minister determines that

(a) an amount (in this subsection referred to as the "allowable rebate") would have been payable to the person as a rebate if it had been claimed in an application under this Part filed on the particular day that is

(i) if the assessment is in respect of net tax for the reporting period, the day on or before which the return under Division V for the period was required to be filed, or

(ii) if the assessment is in respect of an overdue amount, the day on which the overdue amount became payable by the person,

and, where the rebate is in respect of an amount that is being assessed, if the person had paid or remitted that amount,

(b) the allowable rebate was not claimed by the person in an application filed before the day notice of the assessment is sent to the person, and

(c) the allowable rebate would be payable to the person if it were claimed in an application under this Part filed on the day notice of the assessment is sent to the person or would be disallowed if it were claimed in that application only because the period for claiming the allowable rebate expired before that day,

the Minister may apply all or part of the allowable rebate against that net tax or overdue amount as if the person had, on the particular day, paid or remitted the amount so applied on account of that net tax or overdue amount.

Application or
payment of
credit

(3) Where, in assessing the net tax of a person for a particular reporting period of the person, the Minister determines that there is an overpayment of net tax for the particular period, except where the assessment is made in the circumstances described in paragraph 298(4)(a) or (b) after the time otherwise limited therefor by paragraph 298(1)(a), the Minister may

(a) apply

(i) all or part of the overpayment

against

(ii) any amount (in this paragraph referred to as the "outstanding amount") that, on or before the particular day that is the day on or before which the person was required to file a return under this Part for the particular period, the person defaulted in paying or remitting under this Part and that remains unpaid or unremitted on the day notice of the assessment is sent to the person,

as if the person had, on the particular day, paid or remitted the amount so applied on account of the outstanding amount;

(b) apply

(i) all or part of the overpayment that was not applied under paragraph (a) together with interest thereon at the prescribed rate, computed for the period beginning on the day that is twenty-one days after the latest of

(A) the particular day,

(B) the day on which the return for the particular reporting period was filed, and

(C) in the case of an overpayment that is attributable to a payment or remittance made on a day subsequent to the days referred to in clauses (A) and (B), that subsequent day,

and ending on the day on which the person defaulted in paying or remitting the outstanding amount referred to in subparagraph (ii)

against

(ii) any amount (in this paragraph referred to as the "outstanding amount") that, on a day (in this paragraph referred to as the "later day") after the particular day, the person defaulted in paying or remitting under this Part and that remains unpaid or unremitted on the day notice of the assessment is sent to the person,

as if the person had, on the later day, paid the amount and interest so applied on account of the outstanding amount; and

(c) refund to the person that part of the overpayment that was not applied under paragraphs (a) and (b) together with interest thereon at the prescribed rate, computed for the period beginning on the day that is twenty-one days after the latest of

(i) the particular day,

(ii) the day on which the return for the particular reporting period was filed, and

(iii) in the case of an overpayment that is attributable to a payment or remittance made on a day subsequent to the days referred to in subparagraphs (i) and (ii), that subsequent day,

and ending on the day the refund is paid to the person.

Application or
payment of
rebate

(3.1) Where, in assessing the net tax of a person for a particular reporting period of the person or an amount (in this subsection referred to as the "overdue amount") that became payable by a person under this Part, all or part of an allowable rebate referred to in subsection (2.1) is not applied under that subsection against that net tax or overdue amount, except where the assessment is made in the circumstances described in paragraph 298(4)(a) or (b) after the time otherwise limited therefor by paragraph 298(1)(a), the Minister may

(a) apply

(i) all or part of the allowable rebate that was not applied under subsection (2.1)

against

(ii) any other amount (in this paragraph referred to as the "outstanding amount") that, on or before the particular day that is

(A) if the assessment is in respect of net tax for the particular reporting period, the day on or before which the return under Division V for the particular period was required to be filed, or

(B) if the assessment is in respect of an overdue amount, the day on which the overdue amount became payable by the person,

the person defaulted in paying or remitting under this Part and that remains unpaid or unremitted on the day notice of the assessment is sent to the person,

as if the person had, on the particular day, paid or remitted the amount so applied on account of the outstanding amount;

(b) apply

(i) all or part of the allowable rebate that was not applied under subsection (2.1) or paragraph (a) together with interest thereon at the prescribed rate, computed for the period beginning on the day that is twenty-one days after the later of

(A) the particular day, and

(B) where the assessment is in respect of net tax for the particular reporting period, the day on which the return for the particular reporting period was filed,

and ending on the day on which the person defaulted in paying or remitting the outstanding amount referred to in subparagraph (ii)

against

(ii) any amount (in this paragraph referred to as the "outstanding amount") that, on a day (in this paragraph referred to as the "later day") after the particular day, the person defaulted in paying or remitting under this Part and that remains unpaid or unremitted on the day notice of the assessment is sent to the person,

as if the person had, on the later day, paid the amount and interest so applied on account of the outstanding amount; and

(c) refund to the person that part of the allowable rebate that was not applied under any of subsection (2.1) and paragraphs (a) and (b) together with interest thereon at the prescribed rate, computed for the period beginning on the day that is twenty-one days after the later of

(i) the particular day, and

(ii) where the assessment is in respect of net tax for the particular reporting period, the day on which the return for the particular period was filed,

and ending on the day the refund is paid to the person.

Limitation on
refunding
overpayments

(4) An overpayment of net tax for a particular reporting period of a person and interest thereon under paragraphs (3)(b) and (c)

(a) may not be applied under paragraph (3)(b) against an amount (in this paragraph referred to as the "outstanding amount") that is payable or remittable by the person unless the input tax credit or deduction to which the overpayment is attributable would have been allowed as an input tax credit or deduction, as the case may be, in determining the net tax for another reporting period of the person if the person had claimed the input tax credit or deduction in a return under

Division V filed on the day the person defaulted in paying or remitting the outstanding amount and the person were not a specified person for the purposes of subsection 225(4); and

(b) may not be refunded under paragraph (3)(c) unless

(i) the input tax credit or deduction would have been allowed as an input tax credit or deduction, as the case may be, in determining the net tax for another reporting period of the person if the person had claimed the input tax credit or deduction in a return under Division V filed on the day notice of the assessment is sent to the person, and

(ii) the person has filed all returns under Division V that the person was required to file with the Minister before the day notice of the assessment is sent to the person.

Limitation on
refunding
allowable
rebates

(4.1) An allowable rebate referred to in subsection (2.1) or a part thereof that was not applied under that subsection and interest thereon under paragraphs (3.1)(b) and (c)

(a) may not be applied under paragraph (3.1)(b) against an amount (in this paragraph referred to as the "outstanding amount") that is payable or remittable by a person unless the allowable rebate would have been payable to the person as a rebate if the person had claimed it in an application under this Part filed on the day the person defaulted in paying or remitting the outstanding amount and, in the case of a rebate under section 261, if subsection 261(3) allowed the person to claim the rebate within four years after the person paid or remitted the amount in respect of which the rebate would be so payable; and

(b) may not be refunded under paragraph (3.1)(c) unless

(i) the allowable rebate would have been payable to the person as a rebate if the person had claimed it in an application under this Part filed on the day notice of the assessment is sent to the person and, where the rebate is in respect of an amount that is being assessed, if the person had paid or remitted that amount, and

(ii) the person has filed all returns under Division V that the person was required to file with the Minister

before the day notice of the assessment is sent to the person.

Deemed claim or application

(5) Where, in assessing the net tax of a person or tax or any other amount payable by a person, the Minister takes an amount into account under subsection (2) or applies or refunds an amount under subsection (2.1), (3) or (3.1),

(a) the person is deemed to have claimed the amount in a return or application filed under this Part; and

(b) to the extent that an amount is applied against any tax or other amount payable or remittable by the person under this Part, the Minister is deemed to have refunded or paid the amount to the person and the person is deemed to have paid or remitted the tax or other amount against which it was applied.

(3) Subsection (1) comes into force on royal assent except that paragraph 296(1)(e) of the Act, as enacted by that subsection, shall, before April 1, 1997, be read without reference to "subsection 177(1.1) or".

(4) Subsection (2) is deemed to have come into force on July 1, 1996.

1993, c. 27, s.
131(2)

79. (1) Paragraph 298(1)(b) of the Act is replaced by the following:

(b) in the case of an assessment of tax payable by the person under Division II in respect of a supply of real property made by way of sale to that person by a supplier in circumstances in which subsection 221(2) applies, more than four years after the later of the day on or before which the person was required to file the return in which that tax was required to be reported and the day the return was filed;

(2) Paragraph 298(1)(d) of the Act is replaced by the following:

(d) in the case of an assessment of tax payable by the person under Division IV, more than four years after the later of the day on or before which the person was required to file the return in which that tax was required to be reported and the day the return was filed;

(3) Paragraph 298(1)(f) of the Act is replaced by the following:

(f) in the case of an assessment of an amount for which a person became liable under subsection 177(1.1), section 266 or 267.1, subsection 270(4) or Subdivision b.1 of Division VII, more than four years after the person became liable; and

(4) Subsection (3) comes into force on royal assent except that paragraph 298(1)(f) of the Act, as enacted by that subsection, shall, before April 1, 1997, be read without reference to "subsection 177(1.1),".

80. Section 299 of the Act is amended by adding the following after subsection (3):

Binding effect
where
unincorporated
body

(3.1) Where a person (referred to in this subsection as the "body") that is not an individual or a corporation is assessed in respect of any matter,

(a) the assessment is not invalid only because one or more other persons (each of which is referred to in this subsection as a "representative") who are liable for obligations of the body did not receive a notice of the assessment;

(b) the assessment is binding on each representative of the body, subject to a reassessment of the body and the rights of the body to object to or appeal from the assessment under this Part; and

(c) an assessment of a representative in respect of the same matter is binding on the representative subject only to a reassessment of the representative and the rights of the representative to object to or appeal from the assessment of the representative under this Part on the grounds that the representative is not a person who is liable to pay or remit an amount to which the assessment of the body relates, the body has been reassessed in respect of that matter or the assessment of the body in respect of that matter has been vacated.

1990, c. 45, s.
12(1)

81. Subsection 300(2) of the Act is replaced by the following:

Scope of notice

(2) A notice of assessment may include assessments in respect of any number or combination of reporting periods, transactions, rebates or amounts payable or remittable under this Part.

82. (1) Section 301 of the Act is amended by adding the following before subsection (1) and by renumbering subsection (1) as subsection (1.1):

Meaning of
"specified
person"

301. (1) Where an assessment is issued to a person in respect of net tax for a reporting period of the person, an amount (other than net tax) that became payable or remittable by the person during a reporting period of the person or a rebate of an amount paid or remitted by the person during a reporting period of the person, for the purposes of this section, the person is a "specified person" in respect of the assessment or a notice of objection to the assessment if

(a) the person was a listed financial institution during that reporting period; or

(b) the person was not a charity during that reporting period and the person's threshold amounts, determined in accordance with subsection 249(1), exceed \$6 million for both the person's fiscal year that includes the reporting period and the person's previous fiscal year.

(2) Section 301 of the Act is amended by adding the following after subsection (1.1) as renumbered by subsection (1):

Issue to be
decided

(1.2) Where a person objects to an assessment in respect of which the person is a specified person, the notice of objection shall

(a) reasonably describe each issue to be decided;

(b) specify in respect of each issue the relief sought, expressed as the change in any amount that is relevant for the purposes of the assessment; and

(c) provide the facts and reasons relied on by the person in respect of each issue.

Late compliance

(1.3) Notwithstanding subsection (1.2), where a notice of objection filed by a person to whom that subsection applies does not include the information required by paragraph (1.2)(b) or (c) in respect of an issue to be decided that is described in the notice, the Minister may in writing request the person to provide the information, and those paragraphs shall be deemed to be complied with in respect of the issue if, within 60 days after the request is made, the person submits the information in writing to the Minister.

Limitation on objections

(1.4) Notwithstanding subsection (1.1), where a person has filed a notice of objection to an assessment (in this subsection referred to as the "earlier assessment") in respect of which the person is a specified person and the Minister makes a particular assessment under subsection (3) pursuant to the notice of objection, except where the earlier assessment was made under subsection 274(8) or in accordance with an order of a court vacating, varying or restoring an assessment or referring an assessment back to the Minister for reconsideration and reassessment, the person may object to the particular assessment in respect of an issue

(a) only if the person complied with subsection (1.2) in the notice with respect to that issue; and

(b) only with respect to the relief sought in respect of that issue as specified by the person in the notice.

Application of subsection

(1.4)

(1.5) Where a person has filed a notice of objection to an assessment (in this subsection referred to as the "earlier assessment") and the Minister makes a particular assessment under subsection (3) pursuant to the notice of objection, subsection (1.4) does not limit the right of the person to object to the particular assessment in respect of an issue that was part of the particular assessment and not part of the earlier assessment.

Limitation on objections

(1.6) Notwithstanding subsection (1.1), no objection may be made by a person in respect of an issue for which the right of objection has been waived in writing by the person.

(3) Subsections 301(1) to (1.5) of the Act, as enacted by subsections (1) and (2), apply to any assessment notice of which is issued after April 1996 (other than an assessment the notice of which is issued after that month under subsection 301(3) of the Act pursuant to a notice of objection to an assessment issued before May 1996) except that, in their application to notices of assessment issued before 1997, the reference to "charity" in paragraphs 301(1)(b) of the Act, as enacted by subsection (1), shall be read as a references to "charity (other than a school authority, a public college, a university, a hospital authority or a local authority determined under paragraph (b) of the definition "municipality" in subsection 123(1) to be a municipality)".

(4) Subsection 301(1.6) of the Act, as enacted by subsection (1), applies after April 23, 1996 to waivers signed at any time.

83. (1) The Act is amended by adding the following after section 306:

Limitation on
appeals to the
Tax Court

306.1. (1) Notwithstanding sections 302 and 306, where a person has filed a notice of objection to an assessment in respect of which the person is a specified person (within the meaning assigned by subsection 301(1)), the person may appeal to the Tax Court to have the assessment vacated, or a reassessment made, only with respect to

(a) an issue in respect of which the person has complied with subsection 301(1.2) in the notice, or

(b) an issue described in subsection 301(1.5) where the person was not required to file a notice of objection to the assessment that gave rise to the issue

and, in the case of an issue described in paragraph (a), the person may so appeal only with respect to the relief sought in respect of the issue as specified by the person in the notice.

Idem

(2) Notwithstanding sections 302 and 306, a person may not appeal to the Tax Court to have an assessment vacated or varied in respect of an issue for which the right of objection or appeal has been waived in writing by the person.

(2) Subsection 306.1(1) of the Act, as enacted by subsection (1), applies to any appeal, instituted after the day this Act is assented to, in respect of an assessment notice of which is issued

after April 1996 (other than an assessment the notice of which is issued after that month under subsection 301(3) of the Act pursuant to a notice of objection to an assessment issued before May 1996).

(3) Subsection 306.1(2) of the Act, as enacted by subsection (1), applies after the day this Act receives royal assent to waivers signed at any time.

84. (1) Section 335 of the Act is amended by adding the following after subsection (12):

Proof of return

(12.1) For the purposes of this Part, a document presented by the Minister purporting to be a print-out of the information in respect of a person received under section 278.1 by the Minister shall be received as evidence and, in the absence of evidence to the contrary, is proof of the return filed by the person under that section.

(2) Subsection (1) applies after September 1994.

84.1 (1) Section 336 of the Act is amended by adding the following after subsection (4):

Self-supply of
residential
condominium
unit by limited
partnership

(5) Where

(a) an offering memorandum, in respect of an offer to sell interests in a limited partnership, is issued to prospective subscribers before October 14, 1989,

(b) at the time the offering memorandum is issued, it is proposed that the limited partnership will exclusively engage in the activities of acquiring land or a beneficial interest therein, constructing a condominium complex on the land, owning residential condominium units located in the complex and supplying those units by way of lease, licence or similar arrangement for the purpose of their occupancy by individuals as places of residence,

(c) the offering memorandum does not provide for an increase in the subscription prices of the interests in the partnership because of a change in the application of taxes and those subscription prices are not increased after October 13, 1989 and before the offer to sell the interests expires,

(d) a particular interest in the limited partnership is transferred to a subscriber before 1991 in accordance with the offering memorandum,

(e) the limited partnership, whether or not in concert with another person,

(i) acquires ownership of land or a beneficial interest therein before 1991, and

(ii) engages a person to construct a condominium complex on that land

under agreements in writing entered into before October 14, 1989 or under agreements in writing entered into on or after that date that substantially conform with terms and conditions relating to those agreements as set out in the offering memorandum,

(f) the particular interest relates to a particular residential condominium unit that is owned by the limited partnership and is located in the condominium complex, and

(g) possession of the particular residential condominium unit is given after 1990 to a person under a lease, licence or similar arrangement for the purpose of its occupancy by an individual as a place of residence,

the amount of tax that is payable and collectible by the limited partnership, and the amount of tax deemed to have been paid and collected by the limited partnership under paragraph 191(1)(e), in respect of the supply of the particular residential condominium unit that is deemed to have been made under paragraph 191(1)(d) are equal to 4% of 80% of the subscription price for the particular interest.

Definitions

(6) The definitions in this subsection apply in subsection (5).

"offering memorandum"
« notice
d'offre »

"offering memorandum", in respect of an offer to sell interests in a limited partnership to the prospective subscribers, means one or more documents in writing that set out

(a) all facts concerning the limited partnership and its

activities or proposed activities that significantly affect, or could reasonably be expected to have a significant effect on, the value of those interests;

(b) the price at which those interests are being offered; and

(c) the date on which ownership of the interests in the partnership are to be transferred to persons who subscribe to the offering.

"subscription
price"
« *prix de
souscription* »

"subscription price", for an interest in a limited partnership, means the consideration payable for the interest as set out in the offering memorandum.

(2) Subsection (1) is deemed to have come into force on December 17, 1990 but does not apply to a limited partnership in respect of residential condominium units owned by the partnership that are located in a particular condominium complex where

(a) the limited partnership was deemed under subsection 191(1) of the Act to have made, before December 1996, supplies of one or more of those units, and

(b) all of the tax in respect of those supplies that the partnership was deemed, under Part IX of the Act as it read immediately before this Act is assented to, to have collected and was required under the Act to remit before December 1, 1996 was remitted before that day,

unless the partnership applies for a rebate in respect of that tax under section 261 of the Act before 1998.

(3) Subsection 261(3) of the Act does not apply to a rebate referred to in subsection (2) where an application for the rebate is filed with the Minister of National Revenue before 1998.

(4) Where the Minister of National Revenue has assessed any tax that was, under Part IX of the Act as it read immediately before this Act is assented to, remittable by a limited partnership in respect of supplies deemed under subsection 191(1) of the Act to have been made of residential condominium units to which subsection 336(5) of the Act, as enacted by subsection (1), applies, the Minister may, before 1998 and notwithstanding section 298 of the Act, reassess the tax that is remittable by the partnership in respect of those supplies in accordance with Part IX of the Act as

it reads after this Act is assented to.

(5) Where

(a) a limited partnership applied for a rebate under section 121 of the Act in respect of a condominium complex and subsection 336(5) of the Act, as enacted by subsection (1), applies to residential condominium units owned by the partnership that are located in the complex, and

(b) the Minister of National Revenue assesses

(i) any tax that is, in accordance with Part IX of the Act as it reads after this Act is assented to, remittable by the partnership in respect of supplies of those units deemed under subsection 191(1) of the Act to have made, or

(ii) the amount of a rebate referred to in subsection (2) that is payable to the partnership under section 261 of the Act in respect of those units,

notwithstanding section 81.11 of the Act and the fact that the Minister may have made a previous determination under section 72 of the Act respecting the application for the rebate under section 121 of the Act, the Minister may, on or before the later of

(c) December 31, 1997, and

(d) where the Minister assesses the amount of a rebate referred to in subsection (2) that is payable to the partnership under section 261 of the Act in respect of those units, the day on which that assessment is made,

make a further determination under section 72 of the Act of the amount of the rebate that is payable to the partnership under section 121 of the Act or, where an amount has been paid to the partnership in respect of that rebate in excess of the amount to which the partnership is entitled, assess the excess as an amount payable by the partnership under subsection 81.39(1) of the Act.

85. (1) Section 1 of Part I of Schedule V to the Act is repealed.

(2) Subsection (1) is deemed to have come into force on April 24, 1996.

1993, c. 27, s.
147(1)

86. (1) Paragraph 6(a) of Part I of Schedule V to the Act is

replaced by the following:

(a) of a residential complex or a residential unit in a residential complex by way of lease, licence or similar arrangement for the purpose of its occupancy as a place of residence or lodging by an individual, where the period throughout which continuous occupancy of the complex or unit is given to the same individual is at least one month; or

(2) Subsection (1) applies to any supply the agreement for which is entered into after September 14, 1992 but does not apply for the purpose of determining any amount claimed (other than an amount deemed under paragraph 296(5)(a) of the Act to have been claimed as a result of an assessment made after April 23, 1996)

(a) in an application under Division VI of Part IX of the Act received by the Minister of National Revenue before April 23, 1996; or

(b) as a deduction, in respect of any adjustment, refund or credit under subsection 232(1) of the Act, in a return under Division V of that Part received by the Minister before that day.

1993, c. 27, s.
148(1)

87. (1) Paragraph 6.1(b) of Part I of Schedule V to the Act is replaced by the following:

(b) a building, or that part of a building, that forms part of a residential complex or that consists solely of residential units, or

(2) Subsection (1) is deemed to have come into force on January 1, 1993.

1993, c. 27, s.
150(1)

88. (1) The portion of paragraph 7(a) of Part I of Schedule V to the Act before subparagraph (i) is replaced by the following:

(a) of land (other than a site in a residential trailer park), by way of lease, licence or similar arrangement under which continuous possession or use of the land is provided for a period of at least one month, made to

(2) The portion of paragraph 7(b) of Part I of Schedule V to the Act before subparagraph (i) is replaced by the following:

(b) of a site in a residential trailer park, by way of lease, licence or similar arrangement under which continuous possession or use of the site is provided for a period of at least one month, made to the owner, lessee or person in occupation or possession of

(3) Subsections (1) and (2) apply to any supply the agreement for which is entered into after September 14, 1992 but do not apply for the purpose of determining any amount claimed (other than an amount deemed under paragraph 296(5)(a) of the Act to have been claimed as a result of an assessment made after April 23, 1996)

(a) in an application under Division VI of Part IX of the Act received by the Minister of National Revenue before April 23, 1996; or

(b) as a deduction, in respect of any adjustment, refund or credit under subsection 232(1) of the Act, in a return under Division V of that Part received by the Minister before that day.

1993, c. 27, s.
150(4); 1994,
c. 9, par.
35(b)(F)

89. (1) The portion of section 8.1 of Part I of Schedule V to the Act before paragraph (a) is replaced by the following:

8.1 A supply of a parking space by way of lease, licence or similar arrangement under which any such space is made available throughout a period of at least one month

(2) Subsection (1) applies to any supply the agreement for which is entered into after September 14, 1992 but does not apply for the purpose of determining any amount claimed (other than an amount deemed under paragraph 296(5)(a) of the Act to have been claimed as a result of an assessment made after April 23, 1996)

(a) in an application under Division VI of Part IX of the Act received by the Minister of National Revenue before April 23, 1996; or

(b) as a deduction, in respect of any adjustment, refund or credit under subsection 232(1) of the Act, in a return under Division V of that Part received by the Minister before that day.

1993, c. 29, s.
151(1), (2)

90. (1) Section 9 of Part I of Schedule V to the Act is replaced by the following:

9. (1) In this section, "settlor", in relation to a testamentary trust that arose as a consequence of the death of an individual, means that individual.

(2) A supply of real property made by way of sale by an individual or a personal trust, other than

(a) a supply of real property that is, immediately before the time ownership or possession of the property is transferred to the recipient of the supply under the agreement for the supply, capital property used primarily in a business carried on by the individual or trust with a reasonable expectation of profit;

(b) a supply of real property made

(i) in the course of a business of the individual or trust, or

(ii) where the individual or trust has filed an election with the Minister in prescribed form and manner and containing prescribed information, in the course of an adventure or concern in the nature of trade of the individual or trust;

(c) a supply of a part of a parcel of land, which parcel the individual, trust or settlor of the trust subdivided or severed into parts, except where

(i) the parcel was subdivided or severed into two parts and the individual, trust or settlor did not subdivide or sever that parcel from another parcel of land, or

(ii) the recipient of the supply is an individual who is related to, or is a former spouse of, the individual or settlor and is acquiring the part for the personal use and enjoyment of the recipient

but, for the purposes of this paragraph, a part of a parcel of land that the individual, trust or settlor supplies to a person who has the right to acquire it by expropriation, and the remainder of that parcel, are deemed not to have been subdivided or severed from each other by the individual, trust or settlor, as the case may be;

(d) a supply deemed under section 206 or 207 of the Act to have been made; or

(e) a supply of a residential complex.

(2) Subsection (1) is deemed to have come into force on December 17, 1990, except that

(a) in respect of supplies for which the supplier, on or before April 23, 1996, charged or collected an amount as or on account of tax under Part IX of the Act,

(i) that subsection does not apply, and

(ii) for the purposes of section 9 of Part I of Schedule V to the Act, section 267 of the Act, as enacted by subsection 73(1), does not apply; and

(b) paragraph 9(2)(c) of Part I of Schedule V to the Act, as enacted by subsection (1), does not apply to supplies of real property made on or before April 23, 1996.

91. (1) Part I of Schedule V to the Act is amended by adding the following after section 13.2:

13.3 A supply to a consumer of the right to use a washing machine or clothes-dryer that is located in a common area of a residential complex.

13.4 A supply by way of lease, licence or similar arrangement of that part of the common area of a residential complex that is for use as a laundry made to a person who so acquires the property for use in the course of making supplies described in section 13.3.

(2) Section 13.3 of Part I of Schedule V to the Act, as enacted by subsection (1), applies to supplies made after April 23, 1996.

(3) Section 13.4 of Part I of Schedule V to the Act, as enacted by subsection (1), applies to any supply of property by way of lease, licence or similar arrangement for any period after April 23, 1996 and for which consideration becomes due after that day or is paid after that day without having become due except that, for the purpose of determining an input tax credit, for the reporting period of the supplier that includes December 15, 1996 or for any preceding reporting period of the supplier, in respect of property or a service acquired or imported by the supplier on or before December 15, 1996 for consumption or use in the course of making the supply, the supply is deemed to be a taxable supply and where the supply of the property is for a period (in this subsection referred to as the "lease period") that begins before April 24, 1996 and ends after that day, the provision of the property for the part of the lease period that is before April 24, 1996 and the provision of the property for the remainder of the lease period

shall each be deemed to be a separate supply and the supply of the property for that remainder of the period is deemed to be made on April 24, 1996.

92. (1) Paragraph (b) of the definition "health care facility" in section 1 of Part II of Schedule V to the Act is replaced by the following:

(b) a hospital or institution primarily for individuals with a mental health disability, or

(2) The definition "practitioner" in section 1 of Part II of Schedule V to the Act is replaced by the following:

"practitioner", in respect of a supply of optometric, chiropractic, physiotherapy, chiropodic, podiatric, audiological, occupational therapy, psychological or dietetic services, means a person who

(a) practises the profession of optometry, chiropractic, physiotherapy, chiropody, podiatry, audiology, occupational therapy, psychology or dietetics, as the case may be,

(b) where the person is required to be licensed or otherwise certified to practise the profession in the province in which the service is supplied, is so licensed or certified,

(c) where the person is not required to be licensed or otherwise certified to practise the profession in that province, has the qualifications equivalent to those necessary to be so licensed or otherwise certified in another province, and

(d) in respect of the supply of psychological services, is registered in the Canadian Register of Health Service Providers in Psychology.

(3) Subsection (2) is deemed to have come into force on January 1, 1997 except that, in relation to supplies made on or after that day and before 1998, the portion of the definition "practitioner" in section 1 of Part II of Schedule V to the Act, as enacted by subsection (2), before paragraph (b) shall be read as follows:

"practitioner", in respect of a supply of optometric, chiropractic, physiotherapy, chiropodic, podiatric, osteopathic, audiological, speech therapy, occupational therapy, psychological or dietetic services, means a person who

(a) practises the profession of optometry, chiropractic, physiotherapy, chiropody, podiatry, osteopathy, audiology, speech therapy, occupational therapy, psychology or dietetics, as the case may be,

93. (1) Section 4 of Part II of Schedule V to the Act is replaced by the following:

4. A supply of an ambulance service made by a person who carries on the business of supplying ambulance services, but not including an air ambulance service included in section 15 of Part VII of Schedule VI.

(2) Subsection (1) is deemed to have come into force on December 17, 1990.

93.1 (1) The portion of section 6 of Part II of Schedule V to the Act before paragraph (a) is replaced by the following:

6. A supply of a nursing service rendered by a registered nurse, a registered nursing assistant, a licensed or registered practical nurse or a registered psychiatric nurse, where

(2) Subsection (1) is deemed to have come into force on January 1, 1994 except that, with respect to supplies made before 1997, the portion of section 6 of Part II of Schedule V to the Act before paragraph (a), as enacted by subsection (1), shall be read without reference to "or a registered psychiatric nurse".

94. (1) Paragraph (f) of section 7 of Part II of Schedule V to the Act is repealed.

(2) Paragraph (h) of section 7 of Part II of Schedule V to the Act is repealed.

(3) Subsections (1) and (2) apply to supplies made after 1997.

95. (1) Part II of Schedule V to the Act is amended by adding the following after section 7:

7.1 A supply of a dietetic service made by a practitioner of the service where the service is rendered to an individual or the supply is made to a public sector body or to the operator of a health care facility.

(2) Subsection (1) applies to supplies made after 1996.

96. (1) Section 12 of Part II of Schedule V to the Act is repealed.

(2) Subsection (1) applies to supplies made after 1997.

1996, c. 11, s.
96

97. (1) The definition "vocational school" in section 1 of Part III of Schedule V to the Act is replaced by the following:

"vocational school" means an organization that is established and operated primarily to provide students with correspondence courses, or instruction in courses, that develop or enhance students' occupational skills.

(2) Subsection (1) applies in relation to supplies made after 1996.

98. (1) Section 3 of Part III of Schedule V to the Act is replaced by the following:

3. A supply of food or beverages (other than food or beverages prescribed for the purposes of section 12 and food or beverages supplied through a vending machine), services or admissions made by a school authority primarily to elementary or secondary school students during the course of extra-curricular activities organized under the authority and responsibility of the school authority.

(2) Subsection (1) applies to supplies made after April 23, 1996.

99. (1) Paragraph 8(c) of Part III of Schedule V to the Act is replaced by the following:

(c) the supplier is a non-profit organization or a public institution.

(2) Subsection (1) applies to supplies made after 1996.

100. (1) Section 13 of Part III of Schedule V to the Act is replaced by the following:

13. A supply of a meal to a student enrolled at a university or public college where the meal is provided under a plan that is for a period of not less than one month and under which the student purchases from the supplier for a single consideration only the right to receive at a restaurant or cafeteria at the university or college not less than 10 meals weekly throughout the period.

(2) Subsection (1) applies to supplies for which all of the consideration becomes due after June 1996 or is paid after June 1996 without having become due.

1993, c. 27, s.
162(1)

101. Section 2 of Part IV of Schedule V to the Act is replaced by the following:

2. A supply of a service of providing care, supervision and a place of residence to children, underprivileged individuals or individuals with a disability in an establishment operated by the supplier for the purpose of providing such service.

102. (1) Schedule V to the Act is amended by adding the following after Part V:

PART V.1

SUPPLIES BY CHARITIES

1. A supply made by a charity of any property or service, but not including a supply of

(a) property or a service included in Schedule VI;

(b) property or a service where the supply is deemed under Part IX (other than section 187) of the Act to have been made by the charity;

(c) personal property (other than property that was acquired, manufactured or produced by the charity for the purpose of making a supply by way of sale of the property) where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used (otherwise than in making the supply) in commercial activities of the charity or, in the case of capital property, primarily in such activities;

(d) tangible personal property that was acquired, manufactured or produced by the charity for the purpose of making a supply of the property and was neither donated to the charity nor used by another person before its acquisition by the charity, or any service supplied by the charity in respect of such property, other than such property or such a service supplied by the charity under a contract for catering;

(e) an admission in respect of a place of amusement unless the maximum consideration for a supply by the charity of such an admission does not exceed one dollar;

(f) a service involving, or a membership or other right entitling a person to, supervision or instruction in any recreational or athletic activity except where

(i) it could reasonably be expected, given the nature of the activity or the degree of relevant skill or ability

required for participation in it, that such services, memberships or rights supplied by the charity would be provided primarily to children 14 years of age or under and the services are not supplied as part of, the membership is not in, or the right is not in respect of, a program involving overnight supervision throughout a substantial portion of the program, or

(ii) such services, memberships or rights supplied by the charity are intended to be provided primarily to individuals who are underprivileged or who have a disability;

(g) a membership (other than a membership described in subparagraph (f)(i) or (ii)) where the membership

(i) entitles the member

(A) to an admission in respect of a place of amusement the supply of which, were it made separately from the supply of the membership, would be a taxable supply, or

(B) to a discount on the value of consideration for a supply of such an admission, or

(ii) includes a right to participate in a recreational or athletic activity, or use facilities, at a place of amusement,

except where the value of the admission, discount or right is insignificant in relation to the consideration for the membership;

(h) services of performing artists in a performance where the supply is made to a person who makes taxable supplies of admissions in respect of the performance;

(i) a right, other than an admission, to play or participate in a game of chance where the charity is a prescribed person or the game is a prescribed game of chance;

(j) a residential complex, or an interest therein, where the supply is made by way of sale;

(k) real property where the supply is made by way of sale to an individual or a personal trust, other than a supply of real property on which is situated a structure that was used by the charity as an office or in the course of commercial activities or of making exempt supplies;

(l) real property where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used (otherwise than in making the supply) primarily in commercial activities of the charity; or

(m) real property in respect of which an election under section 211 of the Act is in effect at the time tax would become payable in respect of the supply if it were a taxable supply.

2. A supply made by a charity of an admission to a fund-raising dinner, ball, concert, show or like fund-raising event where part of the consideration for the supply may reasonably be regarded as an amount that is donated to the charity and in respect of which a receipt referred to in subsection 110.1(2) or 118.1(2) of the *Income Tax Act* may be issued or could be issued if the recipient of the supply were an individual.

3. A supply by way of sale of personal property or a service made by a charity in the course of a fund-raising activity of the charity, but not including

(a) a supply of any property or service where

(i) the charity makes supplies of such property or services in the course of that activity, or

(ii) the agreement for the supply entitles the recipient to receive from the charity property or services,

on a regular or continuous basis throughout the year or a significant portion of the year;

(b) a supply of property or a service included in paragraph 1(a), (b), (c) or (i); or

(c) a supply of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance.

4. A supply made by a charity of food or beverages to seniors, underprivileged individuals or individuals with a disability under a program established and operated for the purpose of providing prepared food to such individuals in their places of residence and any supply of food or beverages made to the charity for the purpose of the program.

5. A supply made by a charity of any property or service where all or substantially all of the supplies of the property or service by the charity are made for no consideration, but not including a supply of blood or blood derivatives.

5.1 A supply by way of sale made by a charity to a recipient of tangible personal property (other than capital property of the charity), or of a service purchased by the charity for the purpose of making a supply by way of sale of the service, where the total charge for the supply is the usual charge by the charity for such supplies to such recipients and

(a) if the charity does not charge the recipient any amount as tax in respect of the supply, the total charge for the supply does not, and could not reasonably be expected to, exceed the direct cost of the supply; and

(b) if the charity charges the recipient an amount as tax in respect of the supply, the consideration for the supply does not, and could not reasonably be expected to, equal or exceed the direct cost of the supply determined without reference to tax imposed under this Part.

6. A supply made by a charity of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance, where

(a) the administrative function and other functions performed in operating the game and taking the bets are performed exclusively by volunteers; and

(b) in the case of a bingo or casino, the game is not conducted in premises or at a place, including any temporary structure, that is used primarily for the purposes of conducting gambling activities.

(2) Subsection (1) applies to supplies for which consideration becomes due after 1996 or is paid after 1996 without having become due except that, in relation to supplies made by a charity of admissions to a dinner, ball, concert, show or like event for which the charity has supplied admissions before 1997, Schedule V to the Act applies as if this Act were not enacted.

103. (1) The definition "direct cost" in section 1 of Part VI of Schedule V to the Act is repealed.

(2) Subparagraph (b)(ii) of the definition "transit authority" in section 1 of Part VI of Schedule V to the English version of the Act is replaced by the following:

(ii) is established and operated for the purpose of providing public passenger transportation services to individuals with a disability.

(3) Section 1 of Part VI of Schedule V to the Act is amended by adding the following in alphabetical order:

"public sector body" does not include a charity;

"public service body" does not include a charity;

"registered party" means a party (including any regional or local association of the party), a candidate or a referendum committee governed by an Act of Parliament or a law of a province that imposes requirements relating to election finances or referendum expenses;

(4) Subsection (1) and the definitions "public sector body" and "public service body" in section 1 of Part VI of Schedule V to the Act, as enacted by subsection (3), are deemed to have come into force on January 1, 1997 except that the latter definitions also apply in relation to any supply made before that day by a person who is on that day a charity as defined on that day where consideration for the supply becomes due on or after that day or is paid on or after that day without having become due.

(5) The definition "registered party" in section 1 of Part VI of Schedule V to the Act, as enacted by subsection (3), is deemed to have come into force on April 23, 1996 and also applies in relation to any supply made before that day for which consideration becomes due on or after that day or is paid on or after that day without having become due.

1994, c. 9, s.
28

104. (1) The portion of section 2 of Part VI of Schedule V to the Act before paragraph (a) is replaced by the following:

2. A supply made by a public institution of any personal property or a service, but not including a supply of

1994, c. 9, s.
28

(2) Paragraphs 2(b) to (e) of Part VI of Schedule V to the Act are replaced by the following:

(b) property or a service the supply of which is deemed under Part IX of the Act to have been made by the institution;

(c) property (other than capital property of the institution or property that was acquired, manufactured or produced by the institution for the purpose of making a supply of the property) where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used (otherwise than in making the supply) in commercial activities of the institution;

(d) capital property of the institution where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used (otherwise than in making the supply) primarily in commercial activities of the institution;

(e) tangible property that was acquired, manufactured or produced by the institution for the purpose of making a supply of the property and was neither donated to the institution nor used by another person before its acquisition by the institution, or any service supplied by the institution in respect of such property, other than such property or such a service supplied by the institution under a contract for catering;

(3) Paragraph 2(g) of Part VI of Schedule V to the Act is replaced by the following:

(g) property or a service made by the institution under a contract for catering for an event or occasion sponsored or arranged by another person who contracts with the institution for catering;

(4) Subsections (1) to (3) apply to supplies for which consideration becomes due after 1996 or is paid after 1996 without having become due.

1993, c. 27, s.
165(1)

105. (1) Section 3 of Part VI of Schedule V to the Act is replaced by the following:

3. A supply made by a public institution of an admission to a fund-raising dinner, ball, concert, show or like fund-raising event where part of the consideration for the supply may reasonably be regarded as an amount that is donated to the institution and in respect of which a receipt referred to in subsection 110.1(2) or 118.1(2) of the *Income Tax Act* may be issued or could be issued if the recipient of the supply were an individual.

3.1. A supply by way of sale of personal property or a service made by a public institution in the course of a fund-raising activity of the institution, but not including

(a) a supply of any property or service where

(i) the institution makes supplies of such property or services in the course of that activity, or

(ii) the agreement for the supply entitles the recipient

to receive from the institution property or services, on a regular or continuous basis throughout the year or a significant portion of the year;

(b) a supply of property or a service included in paragraph 2(a), (b), (c), (d) or (k); or

(c) a supply of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance.

(2) Subsection (1) applies to supplies for which consideration becomes due after 1996 or is paid after 1996 without having become due except that it does not apply to supplies of admissions to a dinner, ball, concert, show or like event for which admissions have been supplied before 1997.

1993, c. 27, s.
166(1)

106. (1) Section 5.1 of Part VI of Schedule V to the Act is replaced by the following:

5.1 A supply made by a public institution or non-profit organization (other than a prescribed person) of a right, other than an admission, to play or participate in a game of chance (other than a prescribed game of chance).

(2) Subsection (1) applies to supplies for which consideration becomes due after 1996 or is paid after 1996 without having become due.

107. (1) Paragraph 5.2(a) of Part VI of Schedule V to the Act is replaced by the following:

(a) by a public institution or non-profit organization (other than a prescribed person); or

(2) Subsection (1) applies to supplies for which consideration becomes due after 1996 or is paid after 1996 without having become due.

108. (1) Sections 6 to 8 of Part VI of Schedule V to the Act are replaced by the following:

6. A supply by way of sale made by a public service body to a recipient of tangible personal property (other than capital property of the body), or of a service purchased by the body for the purpose of making a supply by way of sale of the service, where the total charge for the supply is the usual charge by the body for

such supplies to such recipients and

(a) if the body does not charge the recipient any amount as tax in respect of the supply, the total charge for the supply does not, or could not reasonably be expected to, exceed the direct cost of the supply; and

(b) if the body charges the recipient an amount as tax in respect of the supply, the consideration for the supply does not, or could not reasonably be expected to, equal or exceed the direct cost of the supply determined without reference to tax imposed under this Part.

(2) Subsection (1) applies to supplies for which all of the consideration becomes due after 1996 or is paid after 1996 without having become due.

109. (1) Sections 9 and 10 of Part VI of Schedule V to the Act are replaced by the following:

9. A supply made by a public sector body of an admission in respect of a place of amusement where the maximum consideration for a supply by the body of such an admission does not exceed one dollar.

10. A supply made by a public sector body of any property or service where all or substantially all of the supplies of the property or service by the body are made for no consideration, but not including a supply of blood or blood derivatives.

(2) Section 9 of Part VI of Schedule V to the Act, as enacted by subsection (1), applies to supplies made after April 23, 1996.

(3) Section 10 of Part VI of Schedule V to the Act, as enacted by subsection (1), is deemed to have come into force on December 17, 1990 except that, with respect to supplies made on or before April 23, 1996, the reference to "des fournitures des biens ou services" in the French version of that section shall be read as a reference to "des fournitures de tels biens ou services".

110. Paragraph 12(b) of Part VI of Schedule V to the Act is replaced by the following:

(b) the program is provided primarily for underprivileged individuals or individuals with a disability.

111. Section 13 of Part VI of Schedule V to the Act is replaced by the following:

13. A supply made by a public sector body of board and lodging, or recreational services, at a recreational camp or

similar place under a program or arrangement for providing the board and lodging or services primarily to underprivileged individuals or individuals with a disability.

112. Section 15 of Part VI of Schedule V to the Act is replaced by the following:

15. A supply made by a public sector body of food or beverages to seniors, underprivileged individuals or individuals with a disability under a program established and operated for the purpose of providing prepared food to such individuals in their places of residence and any supply of food or beverages made to the public sector body for the purpose of the program.

1993, c. 27, s.
170(1)(f)

113. (1) The portion of section 17 of Part VI of Schedule V to the Act before paragraph (a) is replaced by the following:

17. A supply of a membership in a public sector body (other than a membership in a club the main purpose of which is to provide dining, recreational or sporting facilities or in a registered party) where each member does not receive a benefit by reason of the membership, other than

(2) Subsection (1) applies to supplies made after April 23, 1996 but does not apply to any supply of a membership for which the supplier issued an offer in writing, or an invoice, to the recipient of the supply before June 1996.

113.1 (1) Part VI of Schedule V to the Act is amended by adding the following after section 18:

18.1 A supply of a membership in a registered party.

18.2 A supply made by a registered party to a person where part of the consideration for the supply may reasonably be regarded as an amount (in this section referred to as the "amount contributed") that is contributed to the registered party and the person can claim a deduction or credit in determining tax payable by the person under the *Income Tax Act* or a similar Act of the legislature of a province in respect of the total of such amounts contributed.

(2) Section 18.1 of Part VI of Schedule V to the Act, as enacted by subsection (1), applies to supplies made after April 23, 1996 other than a supply for which the supplier issued an offer in writing, or an invoice, to the recipient of the supply before June 1996.

(3) Section 18.2 of Part VI of Schedule V to the Act, as enacted by subsection (1), applies to supplies made after 1996 other than supplies of admissions to an event for which any admissions are supplied before 1997.

114. (1) Paragraph 20(e) of Part VI of Schedule V to the Act is replaced by the following:

(e) a supply of a service of providing information, or of any certificate or other document, in respect of

(i) the title to, or any right or estate in, property,

(ii) any encumbrance or assessment in respect of property, or

(iii) the zoning of real property;

(2) Paragraph 20(h) of Part VI of Schedule V to the Act is replaced by the following:

(h) a supply of a service of collecting garbage, including recyclable materials, and

(3) Subsection (1) applies to supplies for which all of the consideration becomes due after 1996 or is paid after 1996 without having become due.

(4) Subsection (2) is deemed to have come into force on December 17, 1990, except that, with respect to supplies of services performed before 1997, paragraph 20(h) of Part VI of Schedule V to the Act, as enacted by subsection (2), shall be read as follows:

(h) a supply of a service of collecting garbage, including recyclable materials, but not including a supply of a service that is not part of the basic garbage collection service supplied by the government or municipality on a regularly scheduled basis, and

1993, c. 23,
ss. 173(1),
174(1)

115. (1) Sections 21 to 24 of Part VI of Schedule V to the Act are replaced by the following:

21. A supply of a municipal service made by or on behalf of a government or municipality to owners or occupants of real property situated in a particular geographic area where

(a) the owners or occupants have no option but to receive the service, or

(b) the service is supplied because of a failure by an owner or occupant to comply with an obligation imposed under a law,

but not including a supply of a service of testing or inspecting any property for the purpose of verifying or certifying that the property meets particular standards of quality or is suitable for consumption, use or supply in a particular manner.

21.1 A supply made by a municipality or a board, commission or other body established by a municipality of a service of

(a) installing, replacing, repairing or removing street or road signs or barriers, street or traffic lights or property similar to any of the foregoing;

(b) removing snow, ice or water;

(c) removing, cutting, pruning, treating or planting vegetation;

(d) repairing or maintaining roads, streets, sidewalks or similar or adjacent property; or

(e) installing accesses or egresses.

22. A supply of a service, made by a municipality or by an organization that operates a water distribution, sewerage or drainage system and that is designated by the Minister to be a municipality for the purposes of this section, of installing, repairing, maintaining or interrupting the operation of a water distribution, sewerage or drainage system.

23. A supply of

(a) unbottled water (other than a zero-rated supply and a supply of water dispensed in single servings to consumers through a vending machine or at a permanent establishment of the supplier) when made by a person other than a government or by a government designated by the Minister to be a municipality for the purposes of this section, or

(b) the service of delivering water when the service is supplied by the supplier of the water and that supply of water is included in paragraph (a).

24. A supply made to a member of the public of a municipal transit service or of a public passenger transportation service designated by the Minister to be a municipal transit service.

(2) Section 21 of Part VI of Schedule V to the Act, as enacted by subsection (1), applies to supplies for which consideration becomes due after April 23, 1996 or is paid after that day without having become due.

(3) Sections 21.1 and 22 of Part VI of Schedule V to the Act, as enacted by subsection (1), apply to supplies for which consideration becomes due after 1996 or is paid after 1996 without having become due.

(4) Sections 23 and 24 of Part VI of Schedule V to the Act, as enacted by subsection (1), apply to supplies for which all of the consideration becomes due after April 23, 1996 or is paid after that day without having become due.

1993, c. 27, s.
175(1)

116. (1) Paragraph 25(c) of Part VI of Schedule V to the Act is replaced by the following:

(c) real property made by way of sale to an individual or a personal trust, other than a supply of real property on which is situated a structure that was used by the body as an office or in the course of commercial activities or of making exempt supplies;

1993, c. 27, s.
175(2)

(2) Subparagraph 25(f)(i) of Part VI of Schedule V to the Act is replaced by the following:

(i) lease, where the period throughout which continuous possession or use of the property is provided under the lease is less than one month,

(3) Section 25 of Part VI of Schedule V to the Act is amended by striking out the word "or" at the end of paragraph (g), by adding the word "or" at the end of paragraph (h) and by adding the following after paragraph (h):

(i) real property the last supply of which to the body was deemed to have been made under subsection 183(1) of the Act.

(4) Subsection (1) applies to supplies made after April 23, 1996.

(5) Subsection (2) applies to any supply the agreement for which is entered into after September 14, 1992 but does not apply for the purpose of determining any amount claimed (other than an

amount deemed under paragraph 296(5)(a) of the Act to have been claimed as a result of an assessment made after April 23, 1996)

(a) in an application under Division VI of Part IX of the Act received by the Minister of National Revenue before April 23, 1996; or

(b) as a deduction, in respect of any adjustment, refund or credit under subsection 232(1) of the Act, in a return under Division V of that Part received by the Minister before that day.

(6) Subsection (3) applies to

(a) any supply the agreement for which was entered into by a public service body after April 23, 1996; and

(b) any supply the agreement for which was entered into by a public service body on or before that day unless

(i) the body did not, on or before that day, charge or collect any amount as or on account of tax under Part IX of the Act in respect of the supply, or

(ii) the body charged or collected an amount as or on account of tax under that Part in respect of the supply and, before that day, the Minister of National Revenue received an application under subsection 261(1) of the Act (other than an application deemed under paragraph 296(5)(a) of the Act to have been filed as a result of an assessment made after that day) for a rebate in respect of that amount or a return under Division V of that Part in which the body claimed a deduction in respect of an adjustment, refund or credit of the amount under subsection 232(1) of the Act (other than a deduction deemed under that paragraph to have been claimed as a result of an assessment made after that day).

1993, c. 27, s.
176(1)

117. (1) The portion of section 28 of Part VI of Schedule V to the Act after paragraph (e) is replaced by the following:

but not including

(f) a supply of electricity, gas, steam or telecommunication services made by a municipal body or a para-municipal organization, or a branch or division thereof, that acts as a public utility, or

(g) any supply made or received by

(i) a provincially established designated body,

(ii) a para-municipal organization designated under section 259 of the Act or section 22 or 23, or

(iii) another organization referred to in paragraph (e),

otherwise than in the course of the designated activities of the body or organization, as the case may be.

(2) Subsection (1) applies to supplies for which consideration becomes due after April 23, 1996 or is paid after that day without having become due.

118. (1) The definition "practitioner" in section 1 of Part I of Schedule VI to the Act is repealed.

(2) The definition "prescription" in section 1 of Part I of Schedule VI to the Act is replaced by the following:

"prescription" means a written or verbal order, given to a pharmacist by a medical practitioner, directing that a stated amount of any drug or mixture of drugs specified in the order be dispensed for the individual named in the order.

(3) Section 1 of Part I of Schedule VI to the Act is amended by adding the following in alphabetical order:

"medical practitioner" means a person who is entitled under the laws of a province to practise the profession of medicine or dentistry;

(4) Subsections (1) to (3) are deemed to have come into force on April 23, 1996.

119. (1) Paragraphs 3(a) and (b) of Part I of Schedule VI to the Act are replaced by the following:

(a) by a medical practitioner to an individual for the personal consumption or use of the individual or an individual related thereto; or

(b) on the prescription of a medical practitioner for the personal consumption or use of the individual named in the prescription.

(2) Subsection (1) applies to supplies made after April 23, 1996.

120. The heading "MEDICAL DEVICES" before section 1 of Part II of Schedule VI to the Act is replaced by the following:

MEDICAL AND ASSISTIVE DEVICES

121. (1) The definition "practitioner" in section 1 of Part II of Schedule VI to the Act is repealed.

(2) Section 1 of Part II of Schedule VI to the Act is amended by adding the following in alphabetical order:

"medical practitioner" means a person who is entitled under the laws of a province to practise the profession of medicine.

(3) Subsections (1) and (2) are deemed to have come into force on April 23, 1996.

122. (1) Sections 2 to 4 of Part II of Schedule VI to the Act are replaced by the following:

2. A supply of a communication device, other than a device described in section 7, that is specially designed for use by an individual with a hearing, speech or vision impairment.

3. A supply of a heart-monitoring device when the device is supplied on the written order of a medical practitioner for use by a consumer with heart disease who is named in the order.

4. A supply of a hospital bed, when the bed is supplied to the operator of a health care facility (within the meaning assigned by section 1 of Part II of Schedule V) or on the written order of a medical practitioner for use by an incapacitated individual named in the order.

(2) Subsection (1) applies to supplies for which consideration becomes due after April 23, 1996 or is paid after that day without having become due.

123. Section 5 of Part II of Schedule VI to the French version of the Act is replaced by the following:

5. La fourniture d'un appareil de respiration artificielle conçu spécialement pour les personnes ayant des troubles respiratoires.

1993, c. 27, s.
181(1)

124. (1) Section 5.1 of Part II of Schedule VI to the Act is replaced by the following:

5.1 A supply of an aerosol chamber or a metered dose inhaler for use in the treatment of asthma when the chamber or inhaler is supplied on the written order of a medical practitioner for use by a consumer named in the order.

5.2 A supply of a respiratory monitor, nebulizer, tracheostomy supply, gastro-intestinal tube, dialysis machine, infusion pump or intravenous apparatus, that can be used in the residence of an individual.

(2) Subsection (1) applies to supplies made after April 23, 1996.

1993, c. 27, s.
182(1)(f)

125. (1) Sections 7 to 9 of Part II of Schedule VI to the Act are replaced by the following:

7. A supply of a device that is designed to convert sound to light signals when the device is supplied on the written order of a medical practitioner for use by a consumer with a hearing impairment who is named in the order.

8. A supply of a selector control device that is specially designed to enable an individual with a disability to select, energize or control household, industrial or office equipment.

9. A supply of eyeglasses or contact lenses when the eyeglasses or lenses are supplied on the written order of an eye-care professional for the treatment or correction of a defect of vision of a consumer named in the order where the eye-care professional is entitled under the laws of the province in which the professional practises to prescribe eyeglasses or contact lenses for such purpose.

(2) Sections 7 and 9 of Part II of Schedule VI to the Act, as enacted by subsection (1), apply to supplies made after April 23, 1996.

126. (1) Part II of Schedule VI to the Act is amended by adding the following after section 11:

11.1 A supply of an orthodontic appliance.

(2) Subsection (1) applies to supplies for which all of the consideration becomes due after April 23, 1996 or is paid after that day without having become due.

127. Sections 14 and 15 of Part II of Schedule VI to the Act are replaced by the following:

14. A supply of a chair, commode chair, walker, wheelchair lift or similar aid to locomotion, with or without wheels, including motive power and wheel assemblies therefor, that is specially designed for use by an individual with a disability.

15. A supply of a patient lifter that is specially designed to move an individual with a disability.

1994, c. 9, s.
29(1)

128. (1) Sections 18 to 20 of Part II of Schedule VI to the Act are replaced by the following:

18. A supply of an auxiliary driving control that is designed for attachment to a motor vehicle to facilitate the operation of the vehicle by an individual with a disability.

18.1 A supply of a service of modifying a motor vehicle to adapt the vehicle for the transportation of an individual using a wheelchair and a supply of property (other than the vehicle) made in conjunction with, and because of, the supply of the service.

19. A supply of a patterning device that is specially designed for use by an individual with a disability.

20. A supply of a toilet-, bath- or shower-seat that is specially designed for use by an individual with a disability.

(2) Section 18.1 of Part II of Schedule VI to the Act, as enacted by subsection (1), applies to supplies for which consideration becomes due after April 23, 1996 or is paid after that day without having become due.

1993, c. 27, s.
183(1)

129. (1) Sections 21.1 and 21.2 of Part II of Schedule VI to the Act are replaced by the following:

21.1 A supply of an extremity pump, intermittent pressure pump or similar device for use in the treatment of lymphedema when the pump or device is supplied on the written order of a medical practitioner for use by a consumer named in the order.

21.2 A supply of a catheter for subcutaneous injections when the catheter is supplied on the written order of a medical practitioner for use by a consumer named in the order.

21.3 A supply of a lancet.

(2) Subsection (1) applies to supplies made after April 23, 1996 except that, in respect of supplies for which all of the consideration becomes due or is paid before 1997,

(a) the reference in section 21.2 of Part II of Schedule VI to the Act, as enacted by subsection (1), to "when the catheter" shall be read as a reference to "or a lancet when the catheter or lancet"; and

(b) section 21.3 of that Part, as enacted by subsection (1), does not apply.

1993, c. 27, s.
184(1)

130. (1) Sections 23 and 23.1 of Part II of Schedule VI to the Act are replaced by the following:

23. A supply of an orthotic or orthopaedic device that is made to order for an individual or is supplied on the written order of a medical practitioner for use by a consumer named in the order.

(2) Subsection (1) applies to supplies for which all of the consideration becomes due after April 23, 1996 or is paid after that day without having become due except that, with respect to supplies for which consideration becomes due before May 14, 1996 or is paid before May 14, 1996 without having become due, section 23 of Part II of Schedule VI to the Act, as enacted by subsection (1), shall be read as follows:

23. A supply of

(a) an orthotic device when the device is supplied on the written order of a medical practitioner for use by a consumer named in the order; or

(b) a spinal or other orthopaedic brace.

131. Section 24 of Part II of Schedule VI to the French version of the Act is replaced by the following:

24. La fourniture d'un appareil fabriqué sur commande pour les personnes ayant une infirmité ou une difformité du pied ou de la cheville.

132. (1) Part II of Schedule VI to the Act is amended by adding the following after section 24:

24.1 A supply of footwear that is specially designed for use by an individual who has a crippled or deformed foot or other similar disability, when the footwear is supplied on the written

order of a medical practitioner.

(2) Subsection (1) applies to supplies for which all of the consideration becomes due after 1996 or is paid after 1996 without having become due.

133. Section 27 of Part II of Schedule VI to the Act is replaced by the following:

27. A supply of a cane or crutch that is specially designed for use by an individual with a disability.

134. (1) Section 30 of Part II of Schedule VI to the Act is replaced by the following:

30. A supply of any article that is specially designed for the use of blind individuals when the article is supplied for use by a blind individual to or by the Canadian National Institute for the Blind or any other *bona fide* institution or association for blind individuals or on the order or certificate of a medical practitioner.

(2) Subsection (1) applies to supplies made after April 23, 1996.

1993, c. 27, s.
185(1)

135. Sections 33 and 33.1 of Part II of Schedule VI to the French version of the Act are replaced by the following:

33. La fourniture d'un chien qui est un chien-guide, ou doit être dressé à cette fin, y compris le service qui consiste à apprendre à la personne aveugle comment se servir du chien, si la fourniture est effectuée par une organisation spécialisée dans la fourniture de tels chiens aux personnes aveugles, ou à son profit.

33.1 La fourniture d'un chien dressé pour aider les personnes ayant une déficience auditive, ou qui doit être dressé à cette fin, ou la fourniture du service qui consiste à apprendre à ces personnes comment se servir d'un tel chien, si la fourniture est effectuée par une organisation spécialisée dans la fourniture de tels chiens à ces personnes, ou à son profit.

1993, c. 27, s.
187(1); 1994,
c. 9, s. 31(1)

136. (1) Sections 34 to 36 of Part II of Schedule VI to the Act are replaced by the following:

34. A supply of a service (other than a service the supply of which is included in any provision of Part II of Schedule V except section 9 of that Part and a service related to the provision of a surgical or dental service that is performed for cosmetic purposes and not for medical or reconstructive purposes) of installing, maintaining, restoring, repairing or modifying a property described in any of sections 2 to 32 and 38 to 40 of this Part, or any part for such a property where the part is supplied in conjunction with the service.

35. A supply of a graduated compression stocking, an anti-embolic stocking or similar article when the stocking or article is supplied on the written order of a medical practitioner for use by a consumer named in the order.

36. A supply of clothing that is specially designed for use by an individual with a disability when the clothing is supplied on the written order of a medical practitioner for use by a consumer named in the order.

37. A supply of an incontinence product that is specially designed for use by an individual with a disability.

38. A supply of a feeding utensil or other gripping device that is specially designed for use by an individual with impaired use of hands or other similar disability.

39. A supply of a reaching aid that is specially designed for use by an individual with a disability.

40. A supply of a prone board that is specially designed for use by an individual with a disability.

(2) Subsection (1) applies to supplies made after April 23, 1996.

137. (1) Paragraph 1(b) of Part III of Schedule VI to the Act is repealed.

(2) Paragraphs 1(j) and (k) of Part III of Schedule VI to the Act are replaced by the following:

(j) ice lollies, juice bars, flavoured, coloured or sweetened ice waters, or similar products, whether frozen or not;

(k) ice cream, ice milk, sherbet, frozen yoghurt or frozen pudding, non-dairy substitutes for any of the foregoing, or any product that contains any of the foregoing, when packaged or sold in single servings;

(3) Paragraph 1(o) of Part III of Schedule VI to the Act is

replaced by the following:

- (o) food or beverages heated for consumption;
- (o.1) salads not canned or vacuum sealed;
- (o.2) sandwiches and similar products other than when frozen;
- (o.3) platters of cheese, cold cuts, fruit or vegetables and other arrangements of prepared food;
- (o.4) beverages dispensed at the place where they are sold;
- (o.5) food or beverages sold under a contract for, or in conjunction with, catering services;

(4) Subsections (2) and (3) apply to supplies for which all of the consideration becomes due on or after May 14, 1996 or is paid on or after that day without having become due.

1993, c. 27, s.
189(1)

138. (1) Section 2 of Part IV of Schedule VI to the Act is replaced by the following:

2. A supply of

- (a) grains or seeds in their natural state, treated for seeding purposes or irradiated for storage purposes,
- (b) hay or silage, or
- (c) other fodder crops,

that are ordinarily used as, or to produce, food for human consumption or feed for farm livestock or poultry, when supplied in a quantity that is larger than the quantity that is ordinarily sold or offered for sale to consumers, but not including grains or seeds or mixtures thereof that are packaged, prepared or sold for use as feed for wild birds or as pet food.

(2) Subsection (1) applies to supplies for which consideration becomes due after April 23, 1996 or is paid after that day without having become due.

1993, c. 27, s.
191(1)

139. (1) The portion of section 5 of Part IV of Schedule VI to the Act before paragraph (a) is replaced by the following:

5. A supply of fertilizer (other than a good sold as soil or as a soil mixture, whether or not containing fertilizer) made at any time to a recipient when the fertilizer is supplied

(2) Subsection (1) applies to supplies made after April 23, 1996.

140. (1) Paragraph 2(a) of Part V of Schedule VI to the Act is replaced by the following:

(a) where the person carries on a business of transporting passengers or property to or from Canada or between places outside Canada by ship, aircraft or railway, in the course of so transporting passengers or property;

(2) Subsection (1) applies to supplies made after April 23, 1996.

1993, c. 27, s.
193(1)

141. (1) Paragraph 2.1(a) of Part V of Schedule VI to the Act is replaced by the following:

(a) the person carries on a business of transporting passengers or property to or from Canada or between places outside Canada by ship, aircraft or railway; and

(2) Subsection (1) applies to supplies made after April 23, 1996.

1993, c. 27, s.
194(1)(f)

142. (1) Sections 4 to 6 of Part V of Schedule VI to the Act are replaced by the following:

4. A supply of

(a) a service (other than a transportation service) in respect of tangible personal property that is

(i) ordinarily situated outside Canada,

(ii) temporarily imported for the sole purpose of having the service performed, and

(iii) exported as soon as is practicable after the service is performed; and

(b) any tangible personal property supplied in conjunction

with the service.

5. A supply made to a non-resident person of a service of acting as an agent of the person or of arranging for, procuring or soliciting orders for supplies by or to the person, where the service is in respect of

(a) a supply to the person that is included in any other section of this Part; or

(b) a supply made outside Canada by or to the person.

6. A supply made by a person to a non-resident recipient of an emergency repair service, and of any tangible personal property supplied in conjunction with the service, in respect of a conveyance or cargo container that is being used or transported by the person in the course of a business of transporting passengers or property.

6.1 A supply made to a non-resident person who is not registered under Subdivision d of Division V of Part IX of the Act of an emergency repair service, and of any tangible personal property supplied in conjunction with the service, in respect of railway rolling stock that is being used in the course of a business to transport passengers or property.

6.2 A supply made to a non-resident person who is not registered under Subdivision d of Division V of Part IX of the Act of

(a) an emergency repair service in respect of, or a service of storing, an empty cargo container that

(i) is used in transporting property to or from Canada, and

(ii) is classified under heading No. 98.01 or subheading No. 9823.90 of Schedule I to the *Customs Tariff*,

other than a container less than 6.1 metres in length or having an internal capacity less than 14 cubic metres; and

(b) any tangible personal property supplied in conjunction with the repair service referred to in paragraph (a).

(2) Sections 4 and 6 to 6.2 of Part V of Schedule VI to the Act, as enacted by subsection (1), apply to supplies made after April 23, 1996.

(3) Section 5 of Part V of Schedule VI to the Act, as enacted by subsection (1), is deemed to have come into force on December

17, 1990.

1993, c. 27, s.
195(1)

143. (1) The portion of section 7 of Part V of Schedule VI to the Act before paragraph (b) is replaced by the following:

7. A supply of a service made to a non-resident person, but not including a supply of

(a) a service made to an individual who is in Canada at any time when the individual has contact with the supplier in relation to the supply;

(a.1) a service that is rendered to an individual while that individual is in Canada;

1993, c. 27, s.
195(1)

(2) Paragraph 7(f) of Part V of Schedule VI to the Act is replaced by the following:

(f) a service of acting as an agent of the non-resident person or of arranging for, procuring or soliciting orders for supplies by or to the person; or

(3) Section 7 of Part V of Schedule VI to the Act is amended by striking out the word "or" at the end of paragraph (f), as enacted by subsection (2), by adding the word "or" at the end of paragraph (g) and by adding the following after paragraph (g):

(h) a telecommunication service.

(4) Subsection (1) applies to supplies for which all of the consideration becomes due on or after July 1, 1996 or is paid on or after that day without having become due.

(5) Subsection (2) applies to supplies made after April 23, 1996.

(6) Subsection (3) applies to supplies made after December 15, 1996.

144. (1) Section 12 of Part V of Schedule VI to the Act is replaced by the following:

12. A supply of tangible personal property where the supplier delivers the property to a common carrier, or mails the property, for export.

(2) Subsection (1) applies to supplies made after April 23, 1996.

1993, c. 27, s.
196(1)

144.1 (1) Section 17 of Part V of Schedule VI to the Act is replaced by the following:

17. A supply made to a non-resident person of a custodial or nominee service in respect of securities or precious metals of the person.

(2) Subsection (1) applies to supplies made after 1996.

1993, c. 27, s.
196(1)

145. (1) Section 22 of Part V of Schedule VI to the Act is replaced by the following:

22. A supply of a postal service where the supply is made, by a registrant who carries on the business of supplying postal services, to a non-resident person who is not a registrant and who carries on such a business.

22.1 A supply of a telecommunication service where the supply is made, by a registrant who carries on the business of supplying telecommunication services, to a non-resident person who is not a registrant and who carries on such a business, but not including a supply of a telecommunication service where the telecommunication is emitted and received in Canada.

(2) Subsection (1) applies to supplies made after April 23, 1996 and section 22.1 of Part V of Schedule VI to the Act, as enacted by subsection (1), also applies to supplies made on or before that day unless

(a) the supplier did not, on or before that day, charge or collect any amount as or on account of tax under Part IX of the Act in respect of the supply; or

(b) the supplier charged or collected an amount as or on account of tax under that Part in respect of the supply and, before that day, the Minister of National Revenue received an application under subsection 261(1) of the Act for a rebate in respect of that amount or a return under Division V of that Part in which the supplier claimed a deduction in respect of an adjustment, refund or credit of the amount under subsection 232(1) of the Act (other than an application or return deemed under paragraph 296(5)(a) of the Act to have been filed as a

result of an assessment made after that day).

1993, c. 27, s.
196(1)

146. (1) Paragraph 23(d) of Part V of Schedule VI to the Act is replaced by the following:

(d) a service of acting as an agent of the non-resident person or of arranging for, procuring or soliciting orders for supplies by or to the person.

(2) Subsection (1) applies to supplies made after April 23, 1996.

147. (1) The definition "international flight" in subsection 1(1) of Part VII of Schedule VI to the Act is repealed.

(2) Subsection (1) is deemed to have come into force on April 24, 1996.

148. (1) Section 5 of Part VII of Schedule VI to the Act is repealed.

(2) Subsection (1) applies to supplies made after April 23, 1996.

149. (1) Part VII of Schedule VI to the Act is amended by adding the following after section 14:

15. A supply of an air ambulance service made by a person who carries on the business of supplying air ambulance services, where the transportation is to or from a place outside Canada.

(2) Subsection (1) is deemed to have come into force on December 17, 1990.

1990, c. 45, s.
18

149.1 (1) Section 4 of Schedule VII to the Act is replaced by the following:

4. Goods that are imported by a charity or a public institution in Canada, and that have been donated to the charity or institution.

(2) Subsection (1) is deemed to have come into force on January 1, 1997.

II

EXCISE TAX ACT

Harmonized Sales Tax Amendments

150. (1) The portion of subsection 123(1) of the Act before the definition "admission" is replaced by the following:

123. (1) In section 121, this Part and Schedules V to X,

(2) The definitions "consideration fraction" and "tax fraction" in subsection 123(1) of the Act are repealed.

(3) The portion of the definition "direct cost" in subsection 123(1) of the Act after paragraph (b), as enacted by subsection 1(12), is replaced by the following:

and, for the purpose of this definition, the consideration paid or payable by a supplier for property or a service is deemed to include any tax, duty or fee that is prescribed for the purposes of section 154 or imposed under this Part and is payable by the supplier in respect of the acquisition or importation of the property or service and, where the property was brought into a participating province by the supplier, the tax, if any, under this Part that became payable by the supplier in respect of the property when it was brought into the participating province;

(4) The portion of the definition "residential complex" in subsection 123(1) of the Act after paragraph (e), as enacted by subsection 1(8), is replaced by the following:

but does not include a building, or that part of a building, that is a hotel, a motel, an inn, a boarding house, a lodging house or other similar premises, or the land and appurtenances attributable to the building or part, where the building is not described in paragraph (c) and all or substantially all of the leases, licences or similar arrangements, under which residential units in the building or part are supplied, provide, or are expected to provide, for periods of continuous possession or use of less than sixty days;

(5) The portion of paragraph (c) of the definition "residential trailer park" in subsection 123(1) of the Act before subparagraph (i), as enacted by subsection 1(9), is replaced by the following:

(c) are supplied, or are intended to be supplied, under a lease, licence or similar arrangement under which continuous possession or use of a site is provided for a

period of at least

(6) Subsection 123(1) of the Act is amended by adding the following in alphabetical order:

"basic tax
content"
« *teneur en
taxe* »

"basic tax content", at a particular time, of property of a person
means

(a) except where paragraph (b) applies, the amount
determined by the formula

$$(A - B) \times C$$

where

A is the total of

(i) the tax that was payable by the person in
respect of the last acquisition or importation
of the property by the person,

(ii) the tax that was payable by the person in
respect of improvements to the property
acquired, imported or brought into a
participating province by the person after the
property was last acquired or imported by the
person,

(iii) the tax that would, but for subsection
153(4) or section 167, have been payable by
the person in respect of the last acquisition
of the property by the person or in respect of
improvements to the property acquired by the
person after the property was last acquired or
imported by the person,

(iv) the tax under any of sections 218 and
218.1 and Division IV.1 that would have become
payable by the person in respect of the last
acquisition or importation of the property by
the person, and the tax thereunder that would
have become payable by the person in respect
of improvements to the property acquired,
imported or brought into a participating
province by the person after the property was
last acquired or imported by the person, but

for the fact that the person acquired or imported the property or improvement or brought the improvement into the participating province, as the case may be, for consumption, use or supply exclusively in the course of commercial activities of the person, and

(v) all amounts determined by the formula

$$D \times E \times F / G$$

where

D is an amount of tax (other than tax that the person was exempt from paying under any other Act or law) under subsection 165(1) or section 212 or 218 referred to in any of subparagraphs (i) to (iii) of the description of A that became payable, or would have become payable in the circumstances described in that subparagraph, by the person while the person was a selected listed financial institution,

E is the person's prescribed percentage for a participating province for the person's taxation year that includes the time that amount so became payable, or would have so become payable,

F is that province's tax rate, and

G is 7%,

B is the total of

(i) all tax referred to in subparagraphs (i) to (iv) of the description of A that the person was exempt from paying under any other Act or law,

(ii) all tax (other than tax referred to in subparagraph (i)) under subsection 165(2) and section 212.1 referred to in any of subparagraphs (i) to (iv) of the description of A that became payable by the person, or would have become payable by the person in the circumstances described in that subparagraph, while the person was a selected listed financial institution,

(iii) all amounts (other than input tax credits and amounts referred to in subparagraphs (i) and (ii)) in respect of tax referred to in subparagraphs (i)

and (ii) of the description of A that the person was entitled to recover by way of rebate, refund, remission or otherwise under this or any other Act or law or would have been entitled to so recover if the property or improvement had been acquired for use exclusively in activities that are not commercial activities, and

(iv) all amounts (other than input tax credits and amounts referred to in subparagraphs (i) and (ii)) in respect of tax referred to in subparagraphs (iii) and (iv) of the description of A that the person would have been entitled to recover by way of rebate, refund, remission or otherwise under this or any other Act or law if that tax had been payable and the property or improvement had been acquired for use exclusively in activities that are not commercial activities, and

C is the lesser of 1 and the fraction

$$H/I$$

where

H is the fair market value of the property at the particular time, and

I is the total of

(i) the value of the consideration for the last supply to the person of the property or, where the property was last imported by the person, the value of the property determined under section 215, and

(ii) where the person acquired or imported improvements to the property after the property was last so acquired or imported, the total of all amounts each of which is the value of the consideration for a supply to the person of such an improvement or, where such an improvement is property that was imported or brought into a participating province by the person, the value of the property determined under section 215 or subsection 220.05(1), 220.06(1) or 220.07(3), as the case may require, and

(b) where the person brought the property into a participating province from a non-participating province for consumption, use or supply in the participating province in circumstances in which the person was

required to pay tax in respect of the property under section 220.05, or would have been required to pay that tax but for the fact that the property was brought into that province for consumption, use or supply exclusively in commercial activities or the person was exempt from paying that tax under any other Act or law, the amount determined by the formula

$$(J - K) \times L$$

where

J is the total of

(i) the basic tax content of the property, determined under paragraph (a), immediately before the property was brought into the province,

(ii) the tax that became payable by the person in respect of the property under section 220.05 when the property was brought into the participating province,

(iii) the tax that was payable by the person in respect of improvements to the property acquired, imported or brought into a participating province by the person after the property was brought into the participating province,

(iv) the tax that would, but for subsection 153(4) or section 167, have been payable by the person in respect of improvements to the property acquired by the person after the property was brought into the participating province,

(v) the tax under section 220.05 that would have become payable by the person in respect of the property, and the tax under any of sections 218 and 218.1 and Division IV.1 that would have become payable by the person in respect of improvements to the property acquired, imported or brought into a participating province by the person after the property was brought into the participating province, but for the fact that the person brought the property into the participating province, or acquired or imported the improvement or brought it into the province, as the case may be, for consumption, use or supply exclusively in the course of commercial activities of the person, and

(vi) all amounts determined by the formula

M x N x O/P

where

M is an amount of tax (other than tax that the person was exempt from paying under any other Act or law) under subsection 165(1) or section 212 or 218 referred to in subparagraph (iii) or (iv) of the description of J that became payable, or would have become payable in the circumstances described in that subparagraph, by the person after the property was brought into the participating province and while the person was a selected listed financial institution,

N is the person's prescribed percentage for a participating province for the person's taxation year that includes the time that amount so became payable, or would have so become payable,

O is that province's tax rate, and

P is 7%,

K is the total of

(i) all tax referred to in subparagraphs (ii) to (v) of the description of J that the person was exempt from paying under any other Act or law,

(ii) all tax (other than tax referred to in subparagraph (i)) under subsection 165(2) and section 212.1 referred to in any of subparagraphs (ii) to (v) of the description of J that became payable by the person, or would have become payable by the person in the circumstances described in that subparagraph, while the person was a selected listed financial institution,

(iii) all amounts (other than input tax credits and amounts referred to in subparagraphs (i) and (ii)) in respect of tax referred to in subparagraphs (ii) and (iii) of the description of J that the person was entitled to recover by way of rebate, refund, remission or otherwise under this or any other Act or law or would have been entitled to so recover if the property or improvement had been acquired for use exclusively in activities that are not commercial activities, and

(iv) all amounts (other than input tax credits and amounts referred to in subparagraphs (i) and (ii)) in respect of tax referred to in subparagraphs (iv) and (v) of the description of J that the person would have been entitled to recover by way of rebate, refund, remission or otherwise under this or any other Act or law if that tax had been payable and the property or improvement had been acquired for use exclusively in activities that are not commercial activities, and

L is lesser of 1 and the fraction

Q/R

where

Q is the fair market value of the property at the particular time, and

R is the total of

(i) the value of the property determined under subsection 220.05(1), 220.06(1) or 220.07(3), as the case may require, at the time the property was brought into the participating province, and

(ii) where the person acquired or imported improvements to the property after the property was brought into the participating province, the total of all amounts each of which is the value of the consideration for a supply to the person of such an improvement or, where such an improvement is property that was imported or brought into a participating province by the person, the value of the improvement determined under section 215 or subsection 220.05(1), 220.06(1) or 220.07(3), as the case may require;

"non-participating province"
« province non participante »

"non-participating province" means

(a) a province that is not a participating province, or

(b) another area in Canada that is outside the participating provinces;

"participating province"
« province participante »
<?[cn]>

"participating province" means a province referred to in Schedule VIII;

"selected listed financial institution"
« institution financière désignée particulière »
<?[cn]>

"selected listed financial institution" means, at any time, a listed financial institution who is at that time a selected listed financial institution under subsection 225.2(1);

"specified motor vehicle"
« véhicule à moteur déterminé »

"specified motor vehicle" means

(a) goods that are or would, if they were imported, be classified under any of tariff item 8701.20.00, subheading Nos. 8701.30 and 8701.90, heading No. 87.02, tariff item 8703.10.10, subheading Nos. 8703.21 to 8703.90 and 8704.21 to 8704.90, heading 87.05, tariff items 8711.20.00 to 8711.90.00 and 8713.90.00, 8716.10.21, 8716.10.29 and 8716.39.30 to 8716.40.00 and subheading No. 8716.80 of Schedule I to the *Customs Tariff*, other than racing cars classified under heading No. 87.03 of that Schedule and prescribed motor vehicles, and

(b) prescribed motor vehicles;

"tax rate"
« taux de taxe »

"tax rate", for or in relation to a participating province, means the rate set opposite the name of the province in Schedule VIII;

(7) Subsection 123(4) of the Act is replaced by the following:

Application of
provisions to
schedules

(4) Any provision of this Part that applies for the purposes of this Part also applies for the purposes of Schedules V to X.

(8) Subsections (1) to (7) come into force on April 1, 1997.

151. (1) Paragraph 129(6)(b) of the Act is replaced by the following:

(b) except where the supply is an exempt supply, to have collected, immediately before that time, tax in respect of the supply equal to the basic tax content of the property immediately before that time.

(2) Subsection (1) applies to supplies made on or after April 1, 1997.

152. (1) Paragraph 129.1(2)(a) of the Act is replaced by the following:

(a) is in respect of property (other than capital property or improvements thereto) acquired, imported or brought into a participating province by the body for the purpose of consumption, use or supply in the course of activities engaged in by the body through a small supplier division of the body; or

(2) Subsection 129.1(3) of the Act is repealed.

(3) The portion of subsection 129.1(4) of the Act after paragraph (b) is replaced by the following:

<[ip0n,0n]>except where subsection 129(6) or 171(3) applies, the body is deemed to have made, immediately before that time, a supply of the property and, except where the supply is an exempt supply, to have collected, immediately before that time, tax in respect of the supply equal to the basic tax content of the property immediately before that time.

(4) The portion of subsection 129.1(5) of the Act after paragraph (c) is replaced by the following:

except where subsection 171(1) applies, for the purpose of determining an input tax credit of the body, it is deemed to have received a supply of the property and to have paid, at that time, tax in respect of the supply equal to the amount determined by the formula

$$A \times B$$

where

A is the basic tax content of the property at that time, and

B is the extent to which the property was held by the body immediately before that time for consumption, use or supply in the course of activities engaged in by the body through the small supplier divisions.

(5) Subsections (1) and (2) come into force on April 1, 1997.

(6) Subsection (3) applies to supplies made on or after April 1, 1997.

(7) Subsection (4) applies to supplies received on or after April 1, 1997.

153. (1) The Act is amended by adding the following after section 132:

Person resident
in a province

132.1 (1) For the purposes of this Part, other than determining the place of residence of an individual in the individual's capacity as a consumer, a person is deemed to be resident in a province if the person is resident in Canada and

(a) in the case of a corporation, the corporation is incorporated or continued under the laws of that province and not continued elsewhere;

(b) in the case of a partnership, an unincorporated society, a club, an association or an organization, or a branch thereof, the member, or a majority of the members, having management and control thereof is or are resident in that province;

(c) in the case of a labour union, it is carrying on activities as such in that province and has a local union or branch in that province; or

(d) in any case, the person has a permanent establishment in

that province.

Meaning of
"permanent
establishment"

(2) In this section and Schedule IX, "permanent establishment" of a person means

(a) in the case of an individual, the estate of a deceased individual or a trust that carries on a business (within the meaning assigned by subsection 248(1) of the *Income Tax Act*), a permanent establishment (as defined for the purposes of Part XXVI of the *Income Tax Regulations*) of the person;

(b) in the case of a corporation that carries on a business (within the meaning assigned by subsection 248(1) of that Act), a permanent establishment (as defined for the purposes of Part IV of those Regulations) of the person;

(c) in the case of a particular partnership

(i) a permanent establishment (as defined for the purposes of Part XXVI of the those Regulations) of a member that is an individual, the estate of a deceased individual or a trust where the establishment relates to a business (within the meaning assigned by subsection 248(1) of that Act) carried on through the partnership,

(ii) a permanent establishment (as defined for the purposes of Part IV of those Regulations) of a member that is a corporation where the establishment relates to a business (within the meaning assigned by subsection 248(1) of that Act) carried on by the particular partnership, or

(iii) a permanent establishment (within the meaning of this subsection) of a member that is a partnership where the establishment relates to a business (within the meaning assigned by subsection 248(1) of that Act) carried on by the particular partnership;

(d) in any other case, a place that would be a permanent establishment (as defined for the purposes of Part IV of those Regulations) of the person if the person were a corporation and its activities were a business for purposes of that Act; and

(e) an office for the purchase of merchandise.

(2) Subsection (1) comes into force on April 1, 1997.

154. (1) Subsection 136(2.1) of the Act is repealed.

(2) Subsection (1) comes into force on April 1, 1997.

155. (1) The Act is amended by adding the following after section 136:

Lease, etc. of
property

136.1 (1) For the purposes of this Part, where a supply of property is made by way of lease, licence or similar arrangement to a person for consideration that includes a payment that is attributable to a period (in this subsection referred to as the "lease interval") that is the whole or a part of the period during which possession or use of the property is provided under the arrangement,

(a) the supplier is deemed to have made, and the person is deemed to have received, a separate supply of the property for the lease interval;

(b) the supply of the property for the lease interval is deemed to be made on the earliest of

(i) the first day of the lease interval,

(ii) the day on which the payment that is attributable to the lease interval becomes due, and

(iii) the day on which the payment that is attributable to the lease interval is paid; and

(c) the payment that is attributable to the lease interval is deemed to be consideration payable in respect of the supply of the property for the lease interval.

Ongoing
services

(2) For the purposes of this Part, where a supply of a service is made to a person for consideration that includes a payment that is attributable to a period (in this subsection referred to as a "billing period") that is the whole or a part of the period during which the service is or is to be rendered under the agreement for the supply,

(a) the supplier is deemed to have made, and the person is deemed to have received, a separate supply of the service for the billing period;

(b) the supply of the service for the billing period is deemed to be made on the earliest of

(i) the first day of the billing period,

(ii) the day on which the payment that is attributable to the billing period becomes due, and

(iii) the day on which the payment that is attributable to the billing period is made; and

(c) the payment that is attributable to the billing period is deemed to be consideration payable in respect of the supply of the service for the billing period.

Supply of real
property partly
outside
province

136.2 For the purposes of determining in which participating province, if any, a taxable supply of real property is made and determining the tax payable, if any, under subsection 165(2) in respect of the supply for the purposes of this Part, where the supply includes the provision of real property situated in a particular province and real property situated in another province or outside Canada, the provision of the part of the real property that is situated in the particular province and the provision of the part of the real property that is situated in the other province or outside Canada, as the case may be, are each deemed to be a separate taxable supply made for separate consideration equal to the portion of the total consideration for all the property that is reasonably attributable to the part.

Separate
supplies of
freight
services

136.3 For the purposes of determining, for the purposes of this Part, the tax payable, if any, under subsection 165(2) in respect of a supply of a freight transportation service (within the meaning of Part VI of Schedule IX) that includes the provision of a service of transporting particular tangible personal property to a destination in a province and other tangible personal property to a destination outside the province and determining in which participating province, if any, the supply is made, the provision of the service of transporting the particular property and the provision of the service of transporting the other property are each deemed to be a separate supply made for separate consideration equal to the portion of the total consideration for the supply that

is reasonably attributable to the transportation of the particular property or other property, as the case may be.

Definition

"telecommunications channel"

136.4 (1) In this section, "telecommunications channel" means a telecommunications circuit, line, frequency, channel, partial channel or other means of sending or receiving a telecommunication but does not include a satellite channel.

Dedicated
telecommunications
channel

(2) For the purposes of this Part, where a person supplies a telecommunication service of granting to the recipient of the supply sole access to a telecommunications channel for transmitting telecommunications between a place in a particular province and a place in another province,

(a) the person is deemed to have made a separate supply of the service in each of those two provinces and in each province, if any, that is between those provinces; and

(b) the consideration for the supply in each province is deemed to be equal to the amount determined by the formula

$$(A/B) \times C$$

where

- A is the distance over which the telecommunications would be transmitted in that province if the telecommunications were transmitted solely by means of cable and related telecommunications facilities located in Canada that connected, in a direct line, the transmitters for emitting and receiving the telecommunications,
- B is the distance over which the telecommunications would be transmitted in Canada if the telecommunications were transmitted solely by such means, and
- C is the total consideration paid or payable by the recipient for the sole access to the telecommunications channel.

(2) Section 136.1 of the Act, as enacted by subsection (1), applies to lease intervals and billing periods that begin on or after April 1, 1997.

(3) Sections 136.2 to 136.4 of the Act, as enacted by subsection (1), come into force on April 1, 1997.

156. (1) Subsection 141(2) of the Act is replaced by the following:

Intended use in
commercial
activities

(2) For the purposes of this Part, where substantially all of the consumption or use for which a person, other than a financial institution, acquires or imports property or a service or brings it into a participating province is in the course of the person's commercial activities, all of the consumption or use for which the person acquired or imported the property or service or brought it into the province, as the case may be, is deemed to be in the course of those activities.

(2) Subsection 141(4) of the Act is replaced by the following:

Intended use in
other
activities

(4) For the purposes of this Part, where substantially all of the consumption or use for which a person, other than a financial institution, acquires or imports property or a service or brings it into a participating province is in the course of particular activities of the person that are not commercial activities, all of the consumption or use for which the person acquired or imported the property or service or brought it into the province, as the case may be, is deemed to be in the course of those particular activities.

(3) Paragraph 141(5)(b) of the Act is replaced by the following:

(b) where property or a service is acquired, imported or brought into a participating province for consumption or use in relation to the real property, subsections (1) to (4) apply to the property or service only to the extent it is acquired, imported or brought into the province, as the case may be, for consumption or use in relation to the part that is not part of the residential complex.

(4) Subsections (1) to (3) come into force on April 1, 1997.

157. (1) Subsection 141.01(2) of the Act, as amended by subsections 5(3) and (4), is replaced by the following:

Acquisition for
purpose of
making supplies

(2) Where a person acquires or imports property or a service or brings it into a participating province for consumption or use in the course of an endeavour of the person, the person shall, for the purposes of this Part, be deemed to have acquired or imported the property or service or brought it into the province, as the case may be,

(a) for consumption or use in the course of commercial activities of the person, to the extent that the property or service is acquired, imported or brought into the province by the person for the purpose of making taxable supplies for consideration in the course of that endeavour; and

(b) for consumption or use otherwise than in the course of commercial activities of the person, to the extent that the property or service is acquired, imported or brought into the province by the person

(i) for the purpose of making supplies in the course of that endeavour that are not taxable supplies made for consideration, or

(ii) for a purpose other than the making of supplies in the course of that endeavour.

(2) The portion of paragraph 141.01(4)(c) of the Act before subparagraph (i) is replaced by the following:

(c) to the extent that the supplier acquired or imported a particular property or service or brought it into a participating province for the purpose of making the free supply of that property or service or for consumption or use in the course of making the free supply, the supplier shall be deemed, for the purposes of subsection (2), to have acquired or imported the particular property or service or brought it into the province, as the case may be,

(3) Paragraph 141.01(5)(a) of the Act, as enacted by subsection 5(7), is replaced by the following:

(a) the extent to which properties or services are acquired, imported or brought into a participating province by the person for the purpose of making taxable supplies for consideration or for other purposes, and

(4) Subsections (1) to (3) come into force on April 1, 1997.

158. (1) Subparagraph 141.1(1)(a)(i) of the Act is replaced by the following:

(i) was last acquired or imported by the person, or was brought into a participating province by the person after it was last acquired or imported by the person, for consumption or use in the course of commercial activities of the person or was consumed or used by the person in the course of a commercial activity of the person after it was last acquired or imported by the person, or

(2) Subparagraphs 141.1(1)(b)(i) and (ii) of the Act are replaced by the following:

(i) was last acquired or imported by the person exclusively for consumption or use in the course of activities of the person that are not commercial activities, was not brought into a participating province for consumption or use in the course of commercial activities of the person after it was last acquired or imported by the person and was not consumed or used by the person in the course of commercial activities of the person after it was last acquired or imported by the person, or

(ii) was manufactured or produced by the person in the course of activities of the person that are not commercial activities exclusively for consumption or use in the course of activities of the person that are not commercial activities, was not brought into a participating province for consumption or use in the course of commercial activities of the person and was not consumed or used in the course of a commercial activity of the person and was not deemed under this Part to have been acquired by the person,

(3) The portion of paragraph 141.1(2)(a) of the Act before subparagraph (i) is replaced by the following:

(a) where a person makes a particular supply by way of sale of personal property or a service that was acquired, imported, brought into a participating province, manufactured or produced by the person exclusively for the purpose of making a supply of that property or service by way of sale in the course of a business of the person or in the course of an adventure or concern of the person in the nature of trade, except where

(4) Subsections (1) to (3) come into force on April 1, 1997.

159. (1) The Act is amended by adding the following section

after section 144:

Supply in a
province

144.1 For the purposes of this Part, a supply is deemed to be made in a province if it is made in Canada and is, under the rules set out in Schedule IX, made in the province, but is deemed to be made outside the province in any other case and a supply made in Canada that is not made in any participating province is deemed to be made in a non-participating province.

(2) Subsection (1) comes into force on April 1, 1997.

160. (1) Subsections 163(1) and (2) of the Act are replaced by the following:

Consideration
for portions of
tour package

163. (1) For the purposes of determining tax payable in respect of portions of a tour package, the consideration for a supply of the provincially taxable portion of the tour package or the non-provincially taxable portion of the tour package, as the case may be, (in this subsection referred to as the "relevant portion") is deemed to be

(a) where the supply is made by the first supplier of the tour package, the amount determined by the formula

$$A \times B$$

where

A is the taxable percentage in respect of the relevant portion at the time the supply is made, and

B is the total consideration for the entire tour package;
and

(b) where the supply is made by any other person, the amount determined by the formula

$$A \times B$$

where

A is the percentage that the consideration for the supply to the person of the relevant portion is of the total consideration paid or payable by the person for the

entire tour package, and

B is the total consideration paid or payable to the person for the entire tour package.

Taxable and
non-taxable
portions

(2) For the purpose of determining tax payable in respect of a tour package and for the purposes of Part VI of Schedule VI, the provision of all that part of the taxable portion of a tour package that is not included in the provincially taxable portions of the tour package and the provision of the part of the tour package that is not included in the taxable portion of the tour package are each deemed to be a supply separate from, and not incidental to, the provision of the remaining parts of the tour package.

Provincially
taxable portion

(2.1) For the purpose of determining tax payable in respect of a tour package and for the purposes of Part VI of Schedule VI, the provision of the part of the taxable portion of a tour package that is the provincially taxable portion of the tour package in respect of a participating province is deemed to be a supply made in the participating province that is separate from, and not incidental to, the provision of the other parts, if any, of the tour package and those other parts are deemed to be supplied outside the participating province.

Transition

(2.2) Where a supply of a provincially taxable portion of a tour package in respect of a participating province is made by a supplier who acquired the tour package from another person and was not required to pay tax under subsection 165(2) in respect of the tour package, the supplier is deemed to be the first supplier of the tour package for the purposes of determining the base percentage, initial taxable percentage and taxable percentage, in respect of the provincially taxable portion of the tour package and the non-provincially taxable portion of the tour package.

(2) The definitions "base fraction", "initial taxable percentage" and "taxable percentage" in subsection 163(3) of the Act are replaced by the following:

"base
percentage"
« *pourcentage*
de référence »

"base percentage", at any time, in respect of the provincially taxable portion of a tour package or the non-provincially taxable portion of a tour package, as the case may be, (in this definition referred to as the "relevant portion") means the percentage determined by the formula

$$A/B$$

where

A is the part of the amount (in this definition referred to as the "base price") that would be charged by the first supplier of the tour package for a supply at that time of the tour package that is, at that time, reasonably attributable to the relevant portion, and

B is the base price;

"initial
taxable
percentage"
« *pourcentage
taxable initial*
»

"initial taxable percentage" in respect of the provincially taxable portion of a tour package or the non-provincially taxable portion of a tour package, as the case may be, (in this definition referred to as the "relevant portion") means the percentage determined, at the time the first supplier of the tour package first determines the amount (in this definition referred to as the "initial price") to be charged by that supplier for a supply of the tour package, by the formula

$$A/B$$

where

A is the part of the initial price that is, at that time, reasonably attributable to the relevant portion, and

B is the initial price;

"taxable
percentage"
« *pourcentage
taxable* »

"taxable percentage", at a particular time, in respect of the provincially taxable portion of a tour package or the non-provincially taxable portion of a tour package, as the case

may be, (in this definition referred to as the "relevant portion") means

(a) where the difference between the base percentage at that time in respect of the relevant portion and either the initial taxable percentage in respect of the relevant portion or the base percentage at an earlier time in respect of the relevant portion is more than 10 percentage points, the base percentage at the particular time in respect of the relevant portion, and

(b) in any other case, the initial taxable percentage in respect of the relevant portion;

(3) Subsection 163(3) of the Act is amended by adding the following in alphabetical order:

"non-
provincially
taxable
portion" «
*partie non
taxable au
provincial* »

"non-provincially taxable portion" of a tour package means all property and services included in the taxable portion of the tour package that are not included in the provincially taxable portions of the tour package;

"provincially
taxable
portion" «
*partie taxable
au provincial* »

"provincially taxable portion" of a tour package, in respect of a participating province, means all property and services that are included in the tour package and the supplies of which, if made otherwise than as part of the tour package, would be supplies made in the participating province in respect of which tax under subsection 165(2) would be payable;

(4) Subsections (1) and (2) apply to tour packages that are supplied for consideration that becomes due on or after April 1, 1997 or is paid on or after that day without having become due.

(5) Subsection (3) comes into force on April 1, 1997.

161. (1) Section 165 of the Act, as amended by section 17, is replaced by the following:

Imposition of
goods and
services tax

165. (1) Subject to this Part, every recipient of a taxable supply made in Canada shall pay to Her Majesty in right of Canada tax in respect of the supply calculated at the rate of 7% on the value of the consideration for the supply.

Tax in
participating
province

(2) Subject to this Part, every recipient of a taxable supply made in a participating province shall pay to Her Majesty in right of Canada, in addition to the tax imposed by subsection (1), tax in respect of the supply calculated at the tax rate for that province on the value of the consideration for the supply.

Zero-rated
supply

(3) The tax rate in respect of a taxable supply that is a zero-rated supply is 0%.

Pay telephones

165.1 (1) Where the consideration for a supply of a telecommunication service is paid by depositing coins in a coin-operated telephone, the tax payable in respect of the supply is equal to

(a) zero where the amount deposited for the supply does not exceed \$0.25; and

(b) in any other case, the total of the amounts computed in accordance with subsections 165 (1) and (2), except that where that total is equal to a multiple of \$0.05 plus a fraction of \$0.05, the fraction

(i) if less than \$0.025, may be disregarded for the purposes of this Part, and

(ii) if equal to or greater than \$0.025, shall be deemed, for the purposes of this Part, to be an amount equal to \$0.05.

Coin-operated
devices

(2) Where the consideration for a supply of tangible personal

property or a service is paid by depositing a single coin in a mechanical coin-operated device that is designed to accept only a single coin of twenty-five cents or less as the total consideration for the supply and the tangible personal property is dispensed from the device or the service is rendered through the operation of the device, the tax payable in respect of the supply is equal to zero.

Fractional
amounts

165.2 (1) Where the total tax payable under this Division, determined by reference to the total consideration for taxable supplies included in an invoice, is an amount that includes a fraction of a cent, the fraction

(a) if less than half of a cent, may be disregarded for the purposes of this Part; and

(b) if equal to or greater than half of a cent, shall be deemed, for the purposes of this Part, to be an amount equal to one cent.

Exception

(2) Subsection (1) does not apply for the purpose of determining tax payable in respect of supplies the consideration for which is included in an invoice where the supplier has indicated, in any written price information (within the meaning assigned by section 364) in respect of any of those supplies, the total of the consideration for the supply and the tax imposed in respect of the supply.

(2) Subsection (1) comes into force on April 1, 1997.

162. (1) Subsections 169(1) and (1.1) of the Act are replaced by the following:

General rule
for credits

169. (1) Subject to this Part, where a person acquires or imports property or a service or brings it into a participating province and, during a reporting period of the person during which the person is a registrant, tax in respect of the supply, importation or bringing in becomes payable by the person or is paid by the person without having become payable, the amount determined by the following formula is an input tax credit of the person in respect of the property or service for the period:

A x B

where

A is the tax in respect of the supply, importation or bringing in, as the case may be, that becomes payable by the person during the reporting period or that is paid by the person during the period without having become payable; and

B is

(a) where the tax is deemed under subsection 202(4) to have been paid in respect of the property on the last day of a taxation year of the person, the extent (expressed as a percentage of the total use of the property in the course of commercial activities and businesses of the person during that taxation year) to which the person used the property in the course of commercial activities of the person during that taxation year,

(b) where the property or service is acquired, imported or brought into the province, as the case may be, by the person for use in improving capital property of the person, the extent (expressed as a percentage) to which the person was using the capital property in the course of commercial activities of the person immediately after the capital property or a portion thereof was last acquired or imported by the person, and

(c) in any other case, the extent (expressed as a percentage) to which the person acquired or imported the property or service or brought it into the participating province, as the case may be, for consumption, use or supply in the course of commercial activities of the person.

Determining
credit for
improvement

(1.1) Where a person acquires or imports property or a service or brings it into a participating province partly for use in improving capital property of the person and partly for another purpose, for the purpose of determining an input tax credit of the person in respect of the property or service,

(a) notwithstanding section 138, that part of the property or service that is for use in improving the capital property and the remaining part of the property or service are each deemed to be a separate property or service that does not form part of the other;

(b) the tax payable in respect of the supply, importation or

bringing in, as the case may be, of that part of the property or service that is for use in improving the capital property is deemed to be equal to the amount determined by the formula

$$A \times B$$

where

- A is the tax payable (in this section referred to as the "total tax payable") by the person in respect of the supply, importation or bringing in, as the case may be, of the property or service, determined without reference to this section, and
- B is the extent (expressed as a percentage) to which the total consideration paid or payable by the person for the supply in Canada of the property or service or the value of the imported goods or the property brought in is or would be, if the person were a taxpayer under the *Income Tax Act*, included in determining the adjusted cost base to the person of the capital property for the purposes of that Act; and

(c) the tax payable in respect of that part of the property or service that is not for use in improving the capital property is deemed to be equal to the difference between the total tax payable and the amount determined under paragraph (b).

(2) Subsections 169(1.2) and (1.3) of the Act are repealed.

(3) Section 169 of the Act is amended by adding the following after subsection (2):

Restricted
credit for
selected listed
financial
institutions

(3) No amount shall be included in determining an input tax credit of a person in respect of tax that becomes payable by the person under any of subsection 165(2) and sections 212.1 and 218.1 and Division IV.1 while the person is a selected listed financial institution unless

(a) the input tax credit is in respect of tax that the person is deemed to have paid under subsection 129.1(5), 171(1), 171.1(2), 206(2) or (3) or 208(2) or (3); or

(b) the person is permitted to claim the input tax credit under subsection 193(1) or (2).

(4) Paragraph 169(4)(b) of the Act, as enacted by subsection 19(1), is replaced by the following:

(b) where the credit is in respect of property or a service supplied to the registrant in circumstances in which the registrant is required to report the tax payable in respect of the supply in a return filed with the Minister under this Part, the registrant has so reported the tax in a return filed under this Part.

(5) Subsections (1) to (4) come into force on April 1, 1997.

163. (1) The portion of subsection 170(1) of the Act before paragraph (a) is replaced by the following:

Restriction

170. (1) In determining an input tax credit of a registrant, no amount shall be included in respect of the tax payable by the registrant in respect of

(2) The portion of paragraph 170(1)(a.1) of the Act before subparagraph (i), as enacted by subsection 20(1), is replaced by the following:

(a.1) a supply, importation or bringing into a participating province of property or a service that is acquired, imported or brought in by the registrant for consumption or use by the registrant (or, where the registrant is a partnership, an individual who is a member of the partnership) in relation to any part (in this paragraph referred to as the "work space") of a self-contained domestic establishment in which the registrant or the individual, as the case may be, resides unless the work space

(3) The portion of paragraph 170(1)(b) of the Act before subparagraph (i) is replaced by the following:

(b) a supply, importation or bringing into a participating province of property or a service that is acquired, imported or brought in by the registrant at any time in or before a reporting period of the registrant exclusively for the personal consumption, use or enjoyment (in this paragraph referred to as the "benefit") in that period of a particular individual who was, is or agrees to become an officer or employee of the registrant, or of another individual related to the particular individual, except where

(4) Subsection 170(2) of the Act is replaced by the following:

Further

restriction

(2) In determining an input tax credit of a registrant, no amount shall be included in respect of the tax payable by the registrant in respect of property or a service acquired, imported or brought into a participating province by the registrant, except to the extent that

(a) the consumption or use of property or services of such quality, nature or cost is reasonable in the circumstances, having regard to the nature of the commercial activities of the registrant; and

(b) the amount is calculated on consideration for the property or service or on a value of the property that is reasonable in the circumstances.

(5) Subsections (1) to (4) come into force on April 1, 1997.

164. (1) Paragraph 171(1)(b) of the Act is replaced by the following:

(b) to have paid, at that time, tax in respect of the supply equal to the basic tax content of the property at that time.

(2) Subsection (1) comes into force on April 1, 1997.

165. (1) Paragraph 171.1(2)(a) of the Act is replaced by the following:

(a) for the purpose of determining an input tax credit of the person, the person is deemed to have received, at that time, a supply by way of sale of each property of the person, other than capital property, that was held immediately before that time for consumption, use or supply in the course of those other activities and to have paid, at that time, tax in respect of the supply equal to the basic tax content of the property at that time; and

(2) Subparagraph 171.1(2)(b)(i) of the Act is replaced by the following:

(i) that is reasonably attributable to a service that is to be rendered to the person after that time and that was acquired by the person for consumption, use or supply in the course of those other activities, or

(3) Subparagraph 171.1(3)(b)(i) of the Act is replaced by the following:

(i) that is reasonably attributable to services that were

rendered to the person before that time and that were acquired by the person for consumption, use or supply in the course of those other activities, or

(4) The portion of paragraph 171.1(3)(c) of the Act after subparagraph (ii) is replaced by the following:

the amount shall be added in determining the net tax for the reporting period of the person that includes that time, to the extent to which the property is used by the person during the lease period, or the services were acquired by the person for consumption, use or supply, in the course of those other activities.

(5) Subsection (1) comes into force on April 1, 1997.

(6) Subsections (2) to (4) come into force on April 1, 1997.

166. (1) Paragraph 173(1)(c) of the Act, as enacted by subsection 22(1), is replaced by the following:

(c) in the case of a supply of property otherwise than by way of sale, the use made by the registrant in so providing the property to the individual or person related to the individual is deemed, for the purposes of this Part, to be use in commercial activities of the registrant and, to the extent that the registrant acquired or imported the property or brought it into a participating province for the purpose of making that supply, the registrant is deemed, for the purposes of this Part, to have so acquired or imported the property or brought it into the province, as the case may be, for use in commercial activities of the registrant, and

(2) Subparagraph 173(1)(d)(i) of the English version of the Act, as enacted by subsection 22(1), is replaced by the following:

(i) the registrant was, because of section 170, not entitled to claim an input tax credit in respect of the last acquisition, importation or bringing into a participating province of the property or service by the registrant,

(3) Clause 173(1)(d)(ii)(B) of the French version of the Act, as enacted by subsection 22(1), is replaced by the following:

(B) dans les autres cas, le résultat du calcul suivant :

$$(A/B) \times C$$

où :

A représente la somme de 6 % et de celui des pourcentages suivants qui est applicable :

(I) selon le cas :

1. lorsque l'avantage est à inclure, en application des alinéas 6(1)a) ou e) de la *Loi de l'impôt sur le revenu*, dans le calcul du revenu du particulier tiré d'une charge ou d'un emploi et que le dernier établissement de l'employeur auquel le particulier travaillait ou se présentait habituellement au cours de l'année dans le cadre de cette charge ou cet emploi est situé dans une province participante, le taux de taxe applicable à cette province,

2. lorsque l'avantage est à inclure, en application du paragraphe 15(1) de cette loi, dans le calcul du revenu du particulier et que celui-ci réside dans une province participante à la fin de l'année, le taux de taxe applicable à cette province,

(II) dans les autres cas, 6 %,

B la somme de 100 % et du pourcentage déterminé selon l'élément A,

C la contrepartie totale,

(4) Subparagraph 173(1)(d)(iv) of the French version of the Act, as enacted by subsection 22(1), is replaced by the following:

(iv) l'inscrit ne pouvait pas, par l'effet de l'article 170, demander un crédit de taxe sur les intrants relativement à sa dernière acquisition ou importation du bien ou du service ou à son dernier transfert de ceux-ci dans une province participante,

(5) Clause 173(1)(d)(vi)(B) of the English version of the Act, as enacted by subsection 22(1), is replaced by the following:

(B) in any other case, the amount determined by the formula

$$(A/B) \times C$$

where

A is

(I) where

<?[ip12n,12n]>1. the benefit amount is required to be included under paragraph 6(1)(a) or (e) of the *Income Tax Act* in computing the individual's income from an office or employment and the last establishment of the employer at which the individual ordinarily worked or to which the individual ordinarily reported in the year in relation to that office or employment is located in a participating province, or

<?[ip12n,12n]>2. the benefit amount is required under subsection 15(1) of that Act to be included in computing the individual's income and the individual is resident in a participating province at the end of the year,

the total of 6% and the tax rate for the participating province, and

(II) in any other case, 6%,

B is the total of 100% and the percentage determined for A, and

C is the total consideration.

(6) Subparagraph 173(3)(c)(i) of the Act is replaced by the following:

(i) there shall not be included, in determining an input tax credit claimed by the registrant in the return under section 238 for the particular or any subsequent reporting period, tax that is calculated on consideration or part thereof, for that supply or that is in respect of an improvement to the property acquired, imported or brought into a participating province by the registrant after the property was last so acquired, imported or brought in, as the case may be, and

(7) That portion of paragraph 173(3)(d) of the Act before subparagraph (ii), as enacted by subsection 22(2), is replaced by the following:

(d) there shall not be included, in determining an input tax

credit claimed by the registrant in the return under section 238 for the particular or any subsequent reporting period, tax calculated on an amount of consideration, or a value determined under section 215 or subsection 220.05(1), 220.06(1) or 220.07(1), that can reasonably be attributed to

(i) any property that is acquired, imported or brought into a participating province for consumption or use in operating the vehicle or aircraft in respect of which the election is made and that is, or is to be used, or consumed after that day, or

(8) Subsections (1), (2), (4), (6) and (7) come into force on April 1, 1997.

(9) Subsections (3) and (5) apply to the 1997 and subsequent taxation years of individuals except that, with respect to the 1997 taxation year, the reference to "le taux de taxe applicable à cette province" in sub-subclauses (I)1 and 2 of the description of A in the formula in clause 173(1)(d)(ii)(B) of the French version of the Act, as enacted by subsection (3), shall be read as a reference to "6 %" and the reference to "tax rate for the participating province" in clause 173(1)(d)(vi)(B) of the English version of the Act, as enacted by subsection (5), shall be read as a reference to "6%".

167. (1) Paragraph 174(f) of the Act, as enacted by subsection 23(3), is replaced by the following:

(f) the person is deemed to have paid, at the time the allowance is paid, tax in respect of the supply equal to the amount determined by the formula

$$A \times B$$

where

A is the amount of the allowance, and

B is

(i) 15/115 where

(A) all or substantially all of the supplies for which the allowance is paid were made in participating provinces, or

(B) the allowance is paid for the use of the motor vehicle in participating provinces, and

(ii) in any other case, 7/107.

(2) Subsection (1) applies to allowances paid after March 31, 1997.

168. (1) The portion of subsection 175(1) of the Act before paragraph (a), as enacted by subsection 24(1), is replaced by the following:

175. (1) Where an employee of an employer, a member of a partnership or a volunteer who gives services to a charity or public institution acquires or imports property or a service or brings it into a participating province for consumption or use in relation to activities of the employer, partnership, charity or public institution (each of which is referred to in this subsection as the "person"), the employee, member or volunteer paid the tax payable in respect of that acquisition, importation or bringing in and the person pays an amount to the employee, member or volunteer as a reimbursement in respect of the property or service, for the purposes of this Part,

(2) The description of A in paragraph 175(1)(c) of the Act, as enacted by subsection 24(1), is replaced by the following:

A is the tax paid by the employee, member or volunteer in respect of the acquisition, importation or bringing into a particular province of the property or service by the employee, member or volunteer, and

(3) Subparagraph (ii) of the description of B in paragraph 175(1)(c) of the Act, as enacted by subsection 24(1), is replaced by the following:

(ii) the extent (expressed as a percentage) to which the property or service was acquired, imported or brought into the province, as the case may be, by the employee, member or volunteer for consumption or use in relation to activities of the person.

(4) Subsection 175(2) of the Act, as enacted by subsection 24(1), is replaced by the following:

Exception

(2) Subsection (1) does not apply to a reimbursement in respect of property or a service acquired, imported or brought into a participating province by a member of a partnership where paragraph 272.1(2)(b) applies to the acquisition, importation or bringing in, as the case may be, and the reimbursement is paid to the member after the member files with the Minister a return of the member under section 238 in which an input tax credit in respect of the property or service is claimed.

(5) Subsections (1) to (4) come into force on April 1, 1997.

169. (1) Paragraph 175.1(a) of the Act, as enacted by subsection 24(1), is replaced by the following:

<[ip2n,2n]>(a) the beneficiary of a warranty (other than an insurance policy) in respect of the quality, fitness or performance of tangible property acquires or imports property or a service or brings it into a participating province and tax is payable by the beneficiary in respect of the acquisition, importation or bringing in, and

(2) The description of A in paragraph 175.1(c) of the Act, as enacted by subsection 24(1), is replaced by the following:

A is the tax payable by the beneficiary,

(3) Subsections (1) and (2) come into force on April 1, 1997.

170. (1) The portion of subsection 176(1) of the French version of the Act, before paragraph (a), as enacted by subsection 25(1), is replaced by the following:

Acquisition de
contenants
consignés

176. (1) Pour l'application de la présente partie mais sous réserve de la présente section, un inscrit est réputé avoir payé, dès qu'un montant est versé en contrepartie d'une fourniture de biens meubles corporels d'occasion, sauf si l'article 167 s'applique à la fourniture, la taxe relative à la fourniture si les conditions suivantes sont réunies :

(2) Subparagraph 176(1)(d)(ii) of the Act, as enacted by subsection 25(1), is replaced by the following:

(ii) all tax calculated on that consideration,

(3) The portion of subsection 176(1) of the Act after paragraph (d), as enacted by subsection 25(1), is replaced by the following:

for the purposes of this Part, the registrant is deemed (except where section 167 applies to the supply) to have paid, at the time any amount is paid as consideration for the supply, tax in respect of the supply equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(a) where the supply is made in a participating province, the total of 7% and the tax rate for that province, and

(b) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the amount paid as consideration for the supply.

(4) Subsections (1) to (3) come into force on April 1, 1997.

171. (1) Subparagraph 178.3(2)(e)(i) of the Act is replaced by the following:

(i) the particular supply is deemed, for the purposes of this Part except section 178.1 and subsections (4) to (6) and 178.5(7), to be a taxable supply made by the direct seller, and not by the particular contractor, for consideration equal to the lesser of the actual consideration for the supply and the suggested retail price of the product at the time the particular supply is made,

(2) Section 178.3 of the Act is amended by adding the following after subsection (4):

Adjustment
where supply
not in
participating
province

(5) Where

(a) at a particular time a direct seller makes a supply in a participating province of an exclusive product of the direct seller in circumstances in which an amount is required under paragraph (1)(d) to be added in determining the net tax of the direct seller,

(b) included in the amount required under paragraph (1)(d) to be added in determining the net tax of the direct seller is tax payable under subsection 165(2) in respect of the supply,

(c) a particular independent sales contractor of the direct seller makes a supply of the product outside the participating provinces, and

(d) the direct seller pays to, or credits in favour of, the

particular contractor an amount in respect of the product equal to the amount of the tax payable under subsection 165(2) calculated on the suggested retail price of the product at the particular time,

the direct seller may deduct the amount determined under paragraph (d), in determining the net tax for the particular reporting period of the direct seller in which the payment or credit is given or a subsequent reporting period, in a return under Division V filed by the direct seller within two years after the day on or before which the return under Division V for the particular reporting period is required to be filed.

Adjustment
where supply is
in
participating
province

(6) Where

(a) a direct seller makes a supply outside the participating provinces of an exclusive product of the direct seller in circumstances in which an amount is required under paragraph (1)(d) to be added in determining the net tax of the direct seller,

(b) no tax under subsection 165(2) in respect of the supply is included in the amount required under paragraph (1)(d) to be added in determining the net tax of the direct seller, and

(c) an independent sales contractor of the direct seller makes at a particular time a supply of the product in a participating province,

in determining the net tax of the direct seller for the reporting period of the direct seller that includes the particular time, there shall be added an amount equal to the tax that would be payable under subsection 165(2) in respect of the supply, calculated on the suggested retail price of the product at the particular time, if the supply by the direct seller were made in that participating province at the particular time.

(3) Subsections (1) and (2) come into force on April 1, 1997.

172. (1) Subparagraph 178.4(2)(d)(i) of the Act is replaced by the following:

(i) the particular supply is deemed, for the purposes of this Part except section 178.1 and subsections (4) to (6) and 178.5(7), to be a taxable supply made by the

distributor, and not by the particular contractor, for consideration equal to the lesser of the actual consideration for the supply and the suggested retail price of the product at the time the particular supply is made,

(2) Section 178.4 of the Act is amended by adding the following after subsection (4):

Adjustment
where supply
not in
participating
province

(5) Where

(a) at a particular time a distributor of a direct seller makes a supply in a participating province of an exclusive product of the direct seller in circumstances in which an amount is required under paragraph (1)(d) to be added in determining the net tax of the distributor,

(b) included in the amount required under paragraph (1)(d) to be added in determining the net tax of the distributor is tax payable under subsection 165(2) in respect of the supply,

(c) a particular independent sales contractor of the direct seller (other than the distributor) makes a supply of the product outside the participating provinces, and

(d) the distributor pays to, or credits in favour of, the particular contractor an amount in respect of the product equal to the amount of the tax payable under subsection 165(2) calculated on the suggested retail price of the product at the particular time,

the distributor may deduct the amount determined under paragraph (d) in determining the net tax for the particular reporting period of the distributor in which the payment or credit is given or a subsequent reporting period, in a return under Division V filed by the distributor within two years after the day on or before which the return under Division V for the particular reporting period is required to be filed.

Adjustment
where supply is
in
participating
province

(6) Where

(a) a distributor of a direct seller makes a supply outside the participating provinces of an exclusive product of the direct seller in circumstances in which an amount is required under paragraph (1)(d) to be added in determining the net tax of the distributor,

(b) no tax under subsection 165(2) in respect of the supply is included in the amount required under paragraph (1)(d) to be added in determining the net tax of the distributor, and

(c) a particular independent sales contractor of the direct seller (other than the distributor) makes at a particular time a supply of the product in a participating province,

in determining the net tax of the distributor for the reporting period of the distributor that includes the particular time, there shall be added an amount equal to the tax that would be payable under subsection 165(2) in respect of the supply, calculated on the suggested retail price of the product at the particular time, if the supply by the distributor were made in that participating province at the particular time.

(3) Subsections (1) and (2) come into force on April 1, 1997.

173. (1) Paragraph 178.5(8)(a) of the Act is replaced by the following:

<[ip2n,2n]>(a) after March, 1993 a registrant, who is a direct seller in respect of whom an approval granted under subsection 178.2(3) is in effect or who is a distributor of such a direct seller, acquires or imports property (other than an exclusive product of the direct seller) or a service or brings it into a participating province for supply to an independent sales contractor of the direct seller or an individual related thereto,

(2) Subsection (1) comes into force on April 1, 1997.

174. (1) Paragraph 179(1)(c) of the Act, as amended by subsection 30(2), is replaced by the following:

(c) the registrant is deemed to have made to the non-resident person, and the non-resident person is deemed to have received from the registrant, a taxable supply of the property,

(c.1) where physical possession of the property was so transferred at a place in a participating province, that supply is, subject to subsections (2) and (3), deemed to have been made in that province,

(c.2) that supply is deemed to have been made for consideration, that becomes due and is paid at that time, equal to

(i) where the registrant has caused physical possession of the property to be transferred to a consignee to whom the non-resident person has supplied the property for no consideration, nil, and

(ii) in any other case, the fair market value of the property at that time, and

(2) Paragraph 179(6)(b) of the Act is replaced by the following:

(b) does not claim an input tax credit in respect of the property,

(3) Subsections (1) and (2) come into force on April 1, 1997.

175. (1) Subsection 181(1) of the Act is replaced by the following:

Definitions

181. (1) The definitions in this subsection apply in this section.

"coupon"
« *bon* »

"coupon" includes a voucher, receipt, ticket or other device but does not include a gift certificate.

"tax fraction"
« *fraction de
taxe* »

"tax fraction" of a coupon value or of the discount or exchange value of a coupon means

(a) where the coupon is accepted in full or partial consideration for a supply made in a participating province, the fraction

A/B

where

A is the total of 7% and the tax rate for that participating province, and

B is the total of 100% and the percentage determined for A; and

(b) in any other case, 7/107.

(2) Subsection 181(3) of the Act is replaced by the following:

Acceptance of
non-
reimbursable
coupon

(3) Where at any time a registrant accepts, in full or partial consideration for a taxable supply of property or a service (other than a zero-rated supply), a coupon that entitles the recipient of the supply to a reduction of the price of the property or service equal to a fixed dollar amount specified in the coupon or a fixed percentage, specified in the coupon, of the price (the amount of which reduction is, in each case, referred to in this subsection as the "coupon value") and the registrant can reasonably expect not to be paid an amount for the redemption of the coupon by another person,

(a) the registrant shall, for the purposes of this Part, treat the coupon as

(i) reducing the value of the consideration for the supply as provided for in subsection (4), or

(ii) a partial cash payment that does not reduce the value of the consideration for the supply; and

(b) where the registrant treats the coupon as a partial cash payment that does not reduce the value of the consideration for the supply, paragraphs (2)(a) to (c) apply in respect of the supply and the coupon and the registrant may claim an input tax credit for the registrant's reporting period that includes that time equal to the tax fraction of the coupon value.

(3) Paragraph 181(5)(c) of the Act is replaced by the following:

(c) where the supply is not a zero-rated supply and the coupon entitles the recipient to a reduction of the price of the property or service equal to a fixed dollar amount specified in the coupon or a fixed percentage, specified in the coupon, of the price (the amount of which reduction is, in each case, referred to in this subsection as the "coupon value") the particular person, if a registrant (other than a registrant who is a prescribed registrant for the purposes of subsection

188(5)) at that time, may claim an input tax credit for the reporting period of the particular person that includes that time equal to the tax fraction of the coupon value, unless all or part of that coupon value is an amount of an adjustment, refund or credit to which subsection 232(3) applies.

(4) Subsections (1) to (3) come into force on April 1, 1997.

176. (1) Paragraph 181.1(e) of the Act is replaced by the following:

(e) the registrant may claim an input tax credit for the reporting period of the registrant that includes that time equal to the product obtained when the amount of the rebate is multiplied by the fraction (in this section referred to as the "tax fraction in respect of the rebate")

A/B

where

A is

(i) where tax under subsection 165(2) was payable in respect of the supply of the property or service to the particular person, the total of 7% and the tax rate of the participating province in which that supply was made, and

(ii) in any other case, 7%, and

B is the total of 100% and the percentage determined for A, and

(2) The description of A in paragraph 181.1(f) of the Act is replaced by the following:

A is the tax fraction in respect of the rebate,

(3) Subsections (1) and (2) come into force on April 1, 1997.

177. (1) Paragraphs 182(1)(a) and (b) of the Act, as enacted by subsection 32(1), are replaced by the following:

(a) the person is deemed to have paid, at that time, an amount of consideration for the supply equal to the amount determined by the formula

$(A/B) \times C$

where

A is 100%,

B is

(i) where tax under subsection 165(2) was payable in respect of the supply, the total of 107% and the tax rate for the participating province in which the supply was made, and

(ii) in any other case, 107%, and

C is the amount paid, forfeited or extinguished, or by which the debt or obligation was reduced, as the case may be; and

(b) the registrant is deemed to have collected, and the person is deemed to have paid, at that time, all tax in respect of the supply that is calculated on that consideration, which is deemed to be equal to

(i) where tax under subsection 165(2) was payable in respect of the supply, the total of the tax under that subsection and under subsection 165(1) calculated on that consideration, and

(ii) in any other case, tax under subsection 165(1) calculated on that consideration.

(2) Subsection (1) comes into force on April 1, 1997.

178. (1) Paragraph 183(4)(a) of the Act is replaced by the following:

(a) to have collected, at that time, tax in respect of the supply equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(i) where the supply is made in a participating province, the total of 7% and the tax rate for that province, and

(ii) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at that time; and

(2) Subparagraph 183(5)(b)(i) of the Act is replaced by the following:

(i) to have made, at the particular time, a taxable supply of the property and to have collected, at the particular time, tax in respect of that supply equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(A) where the property is situated in a participating province at the particular time, the total of 7% and the tax rate for that province, and

(B) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at the time it was seized or repossessed, and

(3) The portion of subparagraph 183(6)(a)(ii) of the Act after clause (B), as enacted by subsection 33(3), is replaced by the following:

to have paid, immediately after the particular time, all tax payable in respect of the supply, which is deemed to be equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(A) where the property is situated in a participating province at the particular time and was seized or repossessed within three years after the implementation date for that province (within the meaning assigned by subsection 348(i)) or the property is situated in a non-participating province at the

particular time, 7% and

(B) in any other case, the total of 7% and the tax rate for the participating province in which the property is situated at the particular time,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at the time it was seized or repossessed; and

(4) Paragraph 183(6)(b) of the Act is replaced by the following:

(b) where tax would have been payable had the property been purchased in Canada from the person at the time it was seized or repossessed, the creditor is deemed to have made, at the particular time, a taxable supply of the property and to have collected, at the particular time, all tax payable in respect of that supply, which is deemed to be equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(i) where the property is situated in a participating province at the particular time, the total of 7% and the tax rate for that province, and

(ii) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at the time it was seized or repossessed.

(5) The portion of paragraph 183(7)(d) of the Act before the description of B is replaced by the following:

(d) to have paid, immediately before that time, all tax payable in respect of the supply deemed under paragraph (c) to have been received, which is deemed to be equal to the amount determined by the formula

$$A - B$$

where

A is

(i) where

(A) the property was seized or repossessed in a participating province by the creditor within three years after the implementation date for that province (within the meaning assigned by subsection 348(1)) and the particular supply is either made outside Canada or is a zero-rated supply, or

(B) either the property was seized or repossessed in a non-participating province or the particular supply is made in a non-participating province,

tax under subsection 165(1) calculated on that consideration, and

(ii) in any other case, the total of

(A) tax under subsection 165(1) calculated on that consideration, and

(B) tax under subsection 165(2) calculated on that consideration at the lesser of the tax rate for the participating province in which the particular supply is made and the tax rate for the participating province in which the property was seized or repossessed, and

(6) Paragraph 183(8)(d) of the Act is replaced by the following:

(d) to have paid, immediately before the particular time, all tax payable in respect of that supply, which is deemed to be equal to

(i) where

(A) the property was seized or repossessed in a participating province by the creditor within three years after the implementation date for that province (within the meaning assigned by subsection 348(1)) and the particular supply is either made outside Canada or is a zero-rated supply, or

(B) either the property was seized or repossessed

in a non-participating province or the particular supply is made in a non-participating province,

tax under subsection 165(1) calculated on the fair market value of the property at the time it was seized or repossessed, and

(ii) in any other case, the total of

(A) tax under subsection 165(1) calculated on that fair market value, and

(B) tax under subsection 165(2) calculated on that fair market value at the lesser of the tax rate for the participating province in which the particular supply is made and the tax rate for the participating province in which the property was seized or repossessed.

(7) Subsections (1) to (6) come into force on April 1, 1997.

179. (1) Paragraph 184(3)(a) of the Act is replaced by the following:

(a) to have collected, at that time, tax in respect of the supply equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(i) where the supply is made in a participating province, the total of 7% and the tax rate for that province, and

(ii) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at that time; and

(2) Subparagraph 184(4)(b)(i) of the Act is replaced by the following:

(i) to have made, at the particular time, a taxable supply of the property and to have collected, at the

particular time, tax in respect of that supply equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(A) where the property is situated in a participating province at the particular time, the total of 7% and the tax rate for that province, and

(B) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at the time it was transferred, and

(3) The portion of subparagraph 184(5)(a)(ii) of the Act after clause (B), as enacted by subsection 34(3), is replaced by the following:

to have paid, immediately after the particular time, all tax payable in respect of that supply, which is deemed to be equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(A) where the property is situated in a participating province at the particular time and was transferred within three years after the implementation date for that province (within the meaning of Division X) or the property is situated in a non-participating province at the particular time, 7%, and

(B) in any other case, the total of 7% and the tax rate for the participating province in which the property is situated at the particular time,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at the time it was transferred; and

(4) Paragraph 184(5)(b) of the Act is replaced by the following:

(b) where tax would have been payable had the property been purchased in Canada from the person at the time it was transferred, the insurer is deemed to have made, at the particular time, a taxable supply of the property and to have collected, at the particular time, all tax payable in respect of that supply, which is deemed to be equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(i) where the property is situated in a participating province at the particular time, the total of 7% and the tax rate for that province, and

(ii) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the fair market value of the property at the time it was transferred.

(5) The portion of paragraph 184(6)(d) of the Act before the description of B is replaced by the following:

(d) to have paid, immediately before that time, all tax payable in respect of the supply deemed under paragraph (c) to have been received, which is deemed to be equal to the amount determined by the formula

$$A - B$$

where

A is

(i) where

(A) the property was last held by the person in a participating province before being transferred to an insurer within three years

after the implementation date for that province (within the meaning of Division X) and the particular supply is either made outside Canada or is a zero-rated supply, or

(B) either the property was last held by the person in a non-participating province before being transferred or the particular supply is made in a non-participating province,

tax under subsection 165(1) calculated on that consideration, and

(ii) in any other case, the total of

(A) tax under subsection 165(1) calculated on that consideration, and

(B) tax under subsection 165(2) calculated on that consideration at the lesser of the tax rate for the participating province in which the particular supply is made and the tax rate for the participating province in which the property was last held by the person before being transferred, and

(6) Paragraph 184(7)(d) of the Act is replaced by the following:

(d) to have paid, immediately before the particular time, all tax payable in respect of that supply, which is deemed to be equal to

(i) where

(A) the property was last held by the person in a participating province before being transferred to the insurer within three years after the implementation date for that province (within the meaning of Division X) and the particular supply is either made outside Canada or is a zero-rated supply, or

(B) either the property was last held by the person in a non-participating province before being transferred or the particular supply is made in a non-participating province,

tax under subsection 165(1) calculated on the fair market value of the property at the time it was transferred, and

(ii) in any other case, the total of

(A) tax under subsection 165(1) calculated on that fair market value, and

(B) tax under subsection 165(2) calculated on that fair market value at the lesser of the tax rate for the participating province in which the particular supply is made and the tax rate for the participating province in which the property was last held by the person before being transferred.

(7) Subsections (1) to (6) come into force on April 1, 1997.

180. (1) Subsection 185(1) of the Act, as enacted by subsection 35(1), is replaced by the following:

Financial
services -
input tax
credits

185. (1) Where tax in respect of property or a service acquired, imported or brought into a participating province by a registrant becomes payable by the registrant at a time when the registrant is neither a listed financial institution nor a person who is a financial institution because of paragraph 149(1)(b), for the purpose of determining an input tax credit of the registrant in respect of the property or service and for the purposes of Subdivision d, to the extent (determined in accordance with subsection 141.01(2)) that the property or service was acquired, imported or brought into the province, as the case may be, for consumption, use or supply in the course of making supplies of financial services that relate to commercial activities of the registrant,

(a) where the registrant is a financial institution because of paragraph 149(1)(c), the property or service is deemed, notwithstanding subsection 141.01(2), to have been so acquired, imported or brought into the province for consumption, use or supply in the course of those commercial activities except to the extent that the property or service was so acquired, imported or brought into the province for consumption, use or supply in the course of activities of the registrant that relate to

(i) credit cards or charge cards issued by the registrant, or

(ii) the making of any advance, the lending of money or

the granting of any credit; and

(b) in any other case, the property or service is deemed, notwithstanding subsection 141.01(2), to have been so acquired, imported or brought into the province for consumption, use or supply in the course of those commercial activities.

(2) Subsection (1) comes into force on April 1, 1997.

181. (1) Subsection 186(1) of the Act is replaced by the following:

Related
corporations

186. (1) Where

(a) a registrant (in this subsection referred to as the "parent") that is a corporation resident in Canada at any time acquires, imports or brings into a participating province particular property or a service that can reasonably be regarded as having been so acquired, imported or brought into the province for consumption or use in relation to shares of the capital stock, or indebtedness, of another corporation that is at that time related to the parent, and

(b) at the time that tax in respect of the acquisition, importation or bringing in becomes payable, or is paid without having become payable, by the parent, all or substantially all of the property of the other corporation is property that was last acquired or imported by the other corporation for consumption, use or supply by the other corporation exclusively in the course of its commercial activities,

except where subsection (2) applies, for the purpose of determining an input tax credit of the parent, the parent is deemed to have acquired or imported the particular property or service or brought it into the participating province, as the case may be, for use in the course of commercial activities of the parent to the extent that the parent can reasonably be regarded as having so acquired or imported the particular property or service, or as having so brought it into the province, for consumption or use in relation to the shares or indebtedness.

(2) Subsection (1) comes into force on April 1, 1997.

182. (1) Section 187 of the Act is replaced by the following:

Bets and games
of chance

187. For the purposes of this Part, where a particular person bets an amount on a game of chance, a race or other event or occurrence, the following rules apply:

(a) the person with whom the bet is placed is deemed to have made a supply of a service to the particular person;

(b) where the bet is placed in a participating province, that supply is deemed to have been made in that province; and

(c) the consideration for that supply is deemed to be equal to the amount determined by the formula

$$(A/B) \times (C - D)$$

where

A is 100%,

B is

(i) where that supply is made in a participating province, the total of 107% and the tax rate for that province, and

(ii) in any other case, 107%,

C is the total amount in respect of the bet that is given by the particular person to the person with whom the bet is placed, including any amount given as or on account of tax imposed on the particular person under an Act of the legislature of a province or under this Part, and

D is the amount of any tax imposed under an Act of the legislature of a province on the particular person in respect of the amount that is bet.

(2) Subsection (1) comes into force on April 1, 1997.

183. (1) Paragraph 192(a) of the Act is replaced by the following:

(a) to have made and received a taxable supply, in the province in which the complex is situated and at the earlier of the time the renovation is substantially completed and the time ownership of the complex is transferred, for consideration equal to the total of all amounts each of which is an amount in respect of the renovation or alteration (other than an amount of consideration paid or payable by the person for a financial service or for any property or service in respect of which the person is required to pay tax) that would

be included in determining the adjusted cost base to the person of the complex for the purposes of the *Income Tax Act* if the complex were capital property of the person and the person were a taxpayer under that Act; and

(2) Subsection (1) comes into force on April 1, 1997.

184. (1) The formula in subsection 193(1) of the Act and the portion of that subsection after the formula are replaced by the following:

A x B

where

A is the lesser of

(a) the basic tax content of the property at the particular time; and

(b) the tax that is or would, but for section 167, be payable in respect of the particular taxable supply, and

B is the percentage that, immediately before the particular time, the use of the property otherwise than in commercial activities of the registrant was of the total use of the property.

(2) Subsection 193(2) of the Act is replaced by the following:

Sale by public
sector bodies

(2) Where at a particular time a registrant that is a public sector body (other than a financial institution) makes a particular taxable supply of real property by way of sale (other than a supply that is deemed under Subdivision d to have been made) and, immediately before the time tax becomes payable in respect of the particular taxable supply, the property was not used by the registrant primarily in commercial activities of the registrant, except where subsection (1) applies, the registrant may, notwithstanding section 170 and Subdivision d, claim an input tax credit for the reporting period in which tax in respect of the particular taxable supply became payable or is deemed to have been collected, as the case may be, equal to the lesser of

(a) the basic tax content of the property at the particular time; and

(b) the tax that is or would, but for section 167, be payable in respect of the particular taxable supply.

(3) Subsections (1) and (2) apply to supplies made on or after April 1, 1997.

185. (1) Paragraph 194(a) of the Act is replaced by the following:

(a) the tax payable in respect of the supply is deemed to be equal to the amount determined by the formula

$$(A/B) \times C$$

where

A is

(i) where tax under subsection 165(2) was payable in respect of the supply, the total of 7% and the tax rate for the participating province in which the supply was made, and

(ii) in any other case, 7%,

B is the total of 100% and the percentage determined for A, and

C is the consideration for the supply; and

(2) Subsection (1) applies to supplies of real property the ownership and possession of which are transferred to the recipient of the supply after March, 1997.

186. (1) Section 195 of the Act is replaced by the following:

Prescribed
property

195. For the purposes of this Part, where a person acquires or imports prescribed property or brings it into a participating province for use as capital property of the person, the property is deemed to be personal property and not real property.

(2) Subsection (1) comes into force on April 1, 1997.

187. (1) Section 196 of the Act is renumbered as subsection 196(1) and is amended by adding the following:

Intended and
actual use

(2) For the purposes of this Part, where a person at any time brings capital property of the person into a participating province

from a non-participating province and the person was using the property to a particular extent in a particular way immediately after the property or a portion thereof was last acquired or imported by the person, the person is deemed to bring it into the participating province for use to the particular extent in the particular way.

(2) Subsection (1) comes into force on April 1, 1997.

188. (1) Subparagraph 196.1(b)(ii) of the Act is replaced by the following:

(ii) in any other case, the basic tax content of the property at the particular time.

(2) Subsection (1) comes into force on April 1, 1997.

189. (1) Sections 198.1 and 198.2 of the Act are repealed.

(2) Subsection (1) comes into force on April 1, 1997.

190. (1) Subsection 199(2) of the Act is replaced by the following:

Acquisition of
capital
personal
property

(2) Where a registrant acquires or imports personal property or brings it into a participating province for use as capital property,

(a) the tax payable by the registrant in respect of the acquisition, importation or bringing in of the property shall not be included in determining an input tax credit of the registrant for any reporting period unless the property was acquired, imported or brought in, as the case may be, for use primarily in commercial activities of the registrant; and

(b) where the registrant acquires, imports or brings in the property for use primarily in commercial activities of the registrant, the registrant is deemed, for the purposes of this Part, to have acquired, imported or brought in the property, as the case may be, for use exclusively in commercial activities of the registrant.

(2) Paragraph 199(3)(b) of the Act is replaced by the following:

(b) except where the supply is an exempt supply, to have paid,

at the particular time, tax in respect of the supply equal to the basic tax content of the property at the particular time.

(3) Subsections 199(4) and (5) of the Act are replaced by the following:

Improvement to
capital
personal
property

(4) Where a registrant acquires, imports or brings into a participating province an improvement to personal property that is capital property of the registrant, tax payable by the registrant in respect of the acquisition, importation or bringing in shall not be included in determining an input tax credit of the registrant unless, at the time that tax becomes payable or is paid without having become payable, the capital property is used primarily in commercial activities of the registrant.

Use of musical
instrument

(5) For the purposes of subsections (2) and (3) and 200(2) and (3), where an individual who is a registrant uses a musical instrument that is capital property of the individual in an employment of the individual or in a business carried on by a partnership of which the individual is a member, that use is deemed to be use in commercial activities of the individual.

(4) Subsections (1) to (3) come into force on April 1, 1997.

191. (1) Paragraphs 200(2)(a) and (b) of the Act are replaced by the following:

(a) to have made, immediately before the particular time, a supply of the property by way of sale and to have collected, at the particular time, tax in respect of the supply equal to the basic tax content of the property at the particular time; and

(b) to have received, at the particular time, a supply of the property by way of sale and to have paid, at the particular time, tax in respect of the supply equal to the basic tax content of the property at the particular time.

(2) Subsection (1) comes into force on April 1, 1997.

192. (1) Section 201 of the Act is replaced by the following:

Value of

passenger
vehicle

201. For the purpose of determining an input tax credit of a registrant in respect of a passenger vehicle that the registrant at a particular time acquires, imports or brings into a participating province for use as capital property in commercial activities of the registrant, the tax payable by the registrant in respect of the acquisition, importation or bringing in, as the case may be, of the vehicle is deemed to be the lesser of

(a) the tax that was payable by the registrant in respect of the acquisition, importation or bringing in, as the case may be, of the vehicle; and

(b) the amount determined by the formula

$$(A \times B) - C$$

where

A is the tax that would be payable by the registrant in respect of the vehicle if the registrant acquired the vehicle at the particular time

(i) where the registrant is bringing the vehicle into a participating province at the particular time, in that province, and

(ii) in any other case, in Canada

for consideration equal to the amount deemed under paragraph 13(7)(g) or (h) of the *Income Tax Act* to be, for the purposes of section 13 of that Act, the capital cost to a taxpayer of a passenger vehicle to which that paragraph applies,

B is

(i) where the registrant is deemed under subsection 199(3) or 206(2) or (3) to have acquired the vehicle or a portion thereof at the particular time, or the registrant is bringing the vehicle into a participating province at the particular time, and the registrant was previously entitled to claim a rebate under section 259 in respect of the vehicle or any improvement to it, the difference between 100% and the percentage prescribed for the purposes of that section that applied in determining the amount of that rebate, and

(ii) in any other case, 100%; and

C is

(i) where the registrant is bringing the vehicle into a participating province at the particular time, the total of all input tax credits that the registrant was entitled to claim in respect of the last acquisition or importation of the vehicle by the registrant or in respect of any improvement to it acquired or imported by the registrant after the vehicle was last so acquired or imported, and

(ii) in any other case, zero.

(2) Subsection (1) comes into force on April 1, 1997.

193. (1) Subsection 202(2) of the Act is replaced by the following:

Input tax
credit on
passenger
vehicle or
aircraft

(2) Where a registrant who is an individual or a partnership acquires or imports a passenger vehicle or aircraft or brings it into a participating province for use as capital property of the registrant, the tax payable (other than tax deemed to be payable under subsection (4)) by the registrant in respect of that acquisition, importation or bringing in, as the case may be, shall not be included in determining an input tax credit of the registrant unless the vehicle or aircraft was acquired or imported, or brought in, as the case may be, by the registrant for use exclusively in commercial activities of the registrant.

(2) The portion of subsection 202(3) of the Act before paragraph (a) is replaced by the following:

Improvement to
passenger
vehicle or
aircraft

(3) Where a registrant who is an individual or a partnership acquires, imports or brings into a participating province an improvement to a passenger vehicle or aircraft that is capital property of the registrant, the tax payable by the registrant in respect of the improvement shall not be included in determining an input tax credit of the registrant unless, throughout the period

(3) The portion of subsection 202(4) of the Act before paragraph (a) is replaced by the following:

Non-exclusive
use of
passenger
vehicle or
aircraft

(4) Notwithstanding subsections (2) and (3), where a registrant who is an individual or a partnership at any time acquires or imports a passenger vehicle or aircraft, or brings it into a participating province, for use as capital property of the registrant but not for use exclusively in commercial activities of the registrant and tax is payable by the registrant in respect of the acquisition, importation or bringing in, as the case may require, for the purpose of determining an input tax credit of the registrant, the registrant is deemed

(4) The description of A in paragraph 202(4)(b) of the Act is replaced by the following:

A is

(i) in the case of an acquisition or importation in respect of which tax is payable only under subsection 165(1) or section 212 or 218, as the case may require, and in the case of an acquisition deemed to have been made under subsection (5) of a vehicle or aircraft in respect of which no tax under subsection 165(2) was payable by the registrant, 7/107,

(ii) in the case of the bringing into a participating province of the vehicle or aircraft from a non-participating province and in the case of an acquisition in respect of which tax under section 220.06 is payable, 8/108, and

(iii) in any other case, 15/115, and

(5) Subsections (1) to (4) come into force on April 1, 1997.

194. (1) Subsection 203(1) of the Act is replaced by the following:

Sale of
passenger
vehicle

203. (1) Where a registrant, at a particular time in a

reporting period of the registrant, makes a taxable supply by way of sale of a passenger vehicle that, immediately before the particular time, was used as capital property in commercial activities of the registrant, the registrant may, notwithstanding section 170, paragraphs 199(2)(a) and (4)(a) and subsection 202(1), claim an input tax credit for that period equal to the amount determined by the formula

$$A \times (B - C) / B$$

where

A is the basic tax content of the vehicle at the particular time;

B is the total of

(a) the tax that was payable by the registrant in respect of the last acquisition or importation of the vehicle by the registrant,

(b) where the registrant brought the vehicle into a participating province after it was last acquired or imported by the registrant, the tax that was payable by the registrant in respect of bringing it into that province, and

(c) the tax that was payable by the registrant in respect of improvements to the vehicle acquired, imported or brought into a participating province by the registrant after the property was last acquired or imported; and

C is the total of all input tax credits that the registrant was entitled to claim in respect of any tax included in the total for B.

(2) Paragraphs 203(2)(a) and (b) of the Act are replaced by the following:

(a) made, immediately before that time, a taxable supply by way of sale of the vehicle or aircraft; and

(b) collected, at that time, tax in respect of the supply equal to the basic tax content of the vehicle or aircraft immediately before that time.

(3) Subsections (1) and (2) come into force on April 1, 1997.

195. (1) Paragraph 206(2)(b) of the Act is replaced by the following:

(b) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the basic tax content of the property at the particular time.

(2) Paragraph 206(3)(b) of the Act is replaced by the following:

(b) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$A \times B$$

where

A is the basic tax content of the property at the particular time, and

B is the extent (expressed as a percentage of the total use of the property by the registrant at the particular time) to which the registrant increased the use of the property in commercial activities of the registrant at the particular time.

(3) Paragraph 206(4)(a) of the Act is replaced by the following:

(a) to have made, immediately before the particular time, a supply of the property by way of sale and, except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to basic tax content of the property at the particular time; and

(4) Paragraph 206(5)(b) of the Act is replaced by the following:

(b) except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$A \times B$$

where

A is the basic tax content of the property at the particular time, and

B is the extent (expressed as a percentage of the total use of the property by the registrant at the particular time) to which the registrant reduced the use of the property in commercial activities of the registrant at the

particular time.

(5) Subsections (1) to (4) come into force on April 1, 1997.

196. (1) Paragraph 207(1)(a) of the Act is replaced by the following:

(a) to have made, immediately before the particular time, a supply of the property by way of sale and, except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$A - B$$

where

A is the basic tax content of the property at the particular time, and

B is the tax, if any, that the individual is deemed under section 190 to have collected at the particular time in respect of the property; and

(2) Paragraph 207(2)(b) of the Act is replaced by the following:

(b) except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$(A \times B) - C$$

where

A is the basic tax content of the property at the particular time,

B is the extent (expressed as a percentage of the total use of the property by the individual at the particular time) to which the individual reduced the use of the property in commercial activities of the individual at the particular time, and

C is the tax, if any, that the individual is deemed under section 190 to have collected at the particular time in respect of the property.

(3) Subsections (1) and (2) come into force on April 1, 1997.

197. (1) Paragraph 208(2)(d) of the Act, as renumbered by

subsection 40.1(1), is replaced by the following:

(d) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the basic tax content of the property at the particular time.

(2) The description of A in paragraph 208(3)(b) of the Act is replaced by the following:

A is the basic tax content of the property at the particular time, and

(3) Subsection 208(4) of the Act is replaced by the following:

Improvement to
capital real
property by
individual

(4) Where an individual who is a registrant acquires, imports or brings into a participating province an improvement to real property that is capital property of the individual, the tax payable by the individual in respect of the improvement shall not be included in determining an input tax credit of the individual if, at the time that tax becomes payable or is paid without having become payable, the property is primarily for the personal use and enjoyment of the individual or a related individual.

(4) Subsections (1) to (3) come into force on April 1, 1997.

198. (1) Paragraph 211(2)(a) of the Act is replaced by the following:

(a) to have made, immediately before the particular day, a taxable supply of the property by way of sale and to have collected, on the particular day, tax in respect of the supply equal to the basic tax content of the property on the particular day; and

(2) Subsection (1) comes into force on April 1, 1997.

199. (1) Section 212 of the Act is replaced by the following:

Imposition of
goods and
services tax

212. Subject to this Part, every person who is liable under the *Customs Act* to pay duty on imported goods, or who would be so liable if the goods were subject to duty, shall pay to Her Majesty in right of Canada tax on the goods calculated at the rate of 7% on

the value of the goods.

Meaning of
"commercial
goods"

212.1 (1) In this section, "commercial goods" means goods that are imported for sale or for any commercial, industrial, occupational, institutional or other like use.

Tax in
participating
province

(2) Subject to this Part, every person who is resident in a participating province and is liable under the *Customs Act* to pay duty on imported goods, or who would be so liable if the goods were subject to duty, shall pay to Her Majesty in right of Canada, in addition to the tax imposed by section 212, a tax on the goods calculated at the tax rate for that province on the value of the goods.

Exception

(3) Tax under subsection (2) does not apply to goods that are accounted for as commercial goods under section 32 of the *Customs Act*, specified motor vehicles or a mobile home or a floating home that has been used or occupied in Canada by any individual.

(2) Subsection (1) comes into force on April 1, 1997.

200. (1) Section 213.1 of the Act is replaced by the following:

Security

213.1 For the purposes of this Division, the Minister may require a person mentioned in section 212 or 212.1 who imports goods to provide security, in an amount determined by the Minister and subject to such terms and conditions as the Minister may specify, for the payment of any amount that is or may become payable by the person under this Division, where provisions of the *Customs Act*, the *Customs Tariff* or any other laws relating to customs under which security may be required do not apply to the payment of that amount.

(2) Subsection (1) comes into force on April 1, 1997.

201. (1) Section 214 of the Act is replaced by the following:

Payment of

taxes

214. Tax on goods under this Division shall be paid and collected under the *Customs Act*, and interest and penalties shall be imposed, calculated, paid and collected under that Act, as if the tax were a customs duty levied on the goods under the *Customs Tariff* and, for those purposes, the *Customs Act*, with such modifications as the circumstances require, applies subject to this Division.

Deduction

214.1 Where tax under section 212.1 is payable by a person and all or any portion of that tax is an amount that is prescribed for the purposes of subsection 234(3), that amount shall be deducted from that tax in determining the amount required to be paid and collected under section 214.

(2) Subsection (1) comes into force on April 1, 1997.

202. (1) The description of A in subsection 215.1(2) of the Act is replaced by the following:

A is the total of the rate of tax imposed under section 212 at the time the goods were accounted for under subsection 32(1), (2) or (5) of the *Customs Act* and, where an amount was paid as tax under section 212.1, the rate of tax imposed under that section at that time;

(2) Subsection (1) applies to rebates in respect of amounts paid as tax on or after April 1, 1997.

203. The heading "TAX ON IMPORTED TAXABLE SUPPLIES OTHER THAN GOODS" before section 217 of the Act is replaced by the following:

TAX ON IMPORTED TAXABLE SUPPLIES

204. (1) Section 218 of the Act is replaced by the following:

Imposition of
goods and
services tax

218. Subject to this Part, every recipient of an imported taxable supply shall pay to Her Majesty in right of Canada tax calculated at the rate of 7% on the value of the consideration for the imported taxable supply.

Tax in
participating
province

218.1 (1) Subject to this Part,

(a) every person who is resident in a particular participating province and is the recipient of an imported taxable supply of property or a service that is acquired by the person

(i) in the case of a supply of intangible personal property or a service, for consumption, use or supply primarily in participating provinces, or

(ii) in any other case, for consumption, use or supply to any extent in participating provinces, and

(b) every registrant who is the recipient of a taxable supply, described in paragraph (b) of the definition "imported taxable supply" in section 217, of property the physical possession of which is transferred to the person in the province

shall pay to Her Majesty in right of Canada, each time an amount of consideration for the supply becomes due or is paid without having become due, in addition to the tax imposed by section 218, tax equal to the amount determined by the formula

$$A \times B \times C$$

where

A is the tax rate for the province,

B is the value of that consideration that is paid or becomes due at that time, and

C is

(a) in the case of an imported taxable supply of tangible personal property, 100%, and

(b) in any other case, the extent (expressed as a percentage) to which the person acquired the property or service for consumption, use or supply in the province.

Selected listed
financial
institutions

(2) Tax under subsection (1) that would, but for this provision, become payable by a person when the person is a selected listed financial institution is not payable.

When tax
payable

218.2 Tax under this Division that is calculated on an amount of consideration for a supply that becomes due at any time, or is paid at any time without having become due, becomes payable at that time.

(2) Subsection (1) comes into force on April 1, 1997.

205. (1) The Act is amended by adding the following after section 220:

DIVISION IV.1

TAX ON PROPERTY AND SERVICES BROUGHT INTO A PARTICIPATING PROVINCE

Meaning of
"tangible
personal
property"

220.01 In this Division, "tangible personal property" includes a mobile home that is not affixed to land and a floating home.

Carriers

220.02 Where a particular person brings property into a province on behalf of another person, for the purposes of this Division, the other person and not the particular person is deemed to have brought the property into the province.

In transit

220.03 Where at any time a person brings tangible personal property into a province in the course of transporting property from a place outside the province to another place outside the province, and the property is not stored in the province for purposes that are not incidental to the transportation, the person is deemed for the purposes of this Division not to have brought the property into the province at that time.

Selected listed
financial
institutions

220.04 Where tax under this Division would, but for this section, become payable by a person when the person is a selected listed financial institution, that tax is not payable.

Subdivision a

Tax on tangible personal property

Tax in
participating
province

220.05 (1) Subject to this Part, where at a particular time a person brings tangible personal property into a particular participating province from a non-participating province, the person shall pay tax to Her Majesty in right of Canada equal to the amount determined by the formula

$$A \times B$$

where

A is the tax rate for the particular participating province; and

B is

(a) where the property is a specified motor vehicle that the person is required to register under the laws of the participating province relating to the registration of motor vehicles, the prescribed value,

(b) where the property is not a specified motor vehicle referred to in paragraph (a) and consideration was paid or payable in respect of a supply of the property made by way of sale at any time to the person by another person with whom the person dealt at arms length, the lesser of the value of that consideration and the fair market value of the property at the particular time,

(c) notwithstanding paragraphs (a) and (b), in the case of prescribed property brought into a province in prescribed circumstances, the value determined in the prescribed manner, and

(d) in any other case, the fair market value of the property at the particular time.

When tax
payable

(2) Tax under subsection (1) on property brought into a participating province by a person becomes payable

(a) in the case of a specified motor vehicle that the person is required to register under the laws of the province relating to the registration of motor vehicles, on the earlier of the day the person so registers the vehicle and the day on or before which the person is required to register the vehicle; and

(b) in any other case, on the day the property is brought into the province.

Non-taxable
property

(3) No tax is payable under subsection (1) in respect of property where

(a) the recipient of the supply of the property has paid tax under section 220.6 in respect of the property;

(b) tax under section 220.07 has been paid in respect of the property; or

(c) the property is included in Part I of Schedule X.

Supply by
unregistered
non-resident

220.06 (1) Subject to this Part, where at a particular time a person is the recipient of a taxable supply (other than a zero-rated or prescribed supply) of tangible personal property delivered or made available to the person in a participating province, or sent by mail or courier to an address in the participating province, by a non-resident supplier who is not registered under subdivision d of Division V, the person shall pay tax to Her Majesty in right of Canada equal to the amount determined by the formula

$$A \times B$$

where

A is the tax rate for the participating province; and

B is

(a) where the property is a specified motor vehicle that the person is required to register under the laws of the province relating to the registration of motor vehicles, the prescribed value,

(b) where the property is not a specified motor vehicle referred to in paragraph (a) and the supply of the property was made to the person by way of sale by a non-resident person with whom the person dealt at arm's length, the lesser of the value of the consideration paid or payable in respect of the supply and the fair market value of the property at the particular time,

(c) notwithstanding paragraphs (a) and (b) in the case of prescribed property supplied in prescribed circumstances, the value determined in the prescribed manner, and

(d) in any other case, the fair market value of the property at the particular time.

When tax
payable

(2) Tax under subsection (1) in respect of property supplied to a person in a participating province becomes payable

(a) in the case of a specified motor vehicle that the person is required to register under the laws of the province relating to the registration of motor vehicles, on the earlier of the day the person so registers the vehicle and the day on or before which the person is required to register the vehicle; and

(b) in any other case, on the day the property is supplied in the province.

Non-taxable
property

(3) No tax is payable under subsection (1) in respect of property where

(a) the supplier of the property has paid tax under section 220.05 in respect of the property;

(b) tax under section 220.07 has been paid in respect of the property; or

(c) the property is included in Part I of Schedule X.

Imported
commercial
goods

220.07 (1) Subject to this Part, every person who brings into a participating province from a place outside Canada

(a) a specified motor vehicle, or

(b) goods that are accounted for as commercial goods (within the meaning assigned by subsection 212.1(1)) under section 32 of the *Customs Act*

and who is liable under that Act to pay duties on the vehicle or

goods, or would be so liable if they were subject to duty, shall pay, in addition to the tax imposed under section 212, tax calculated at the tax rate for that participating province on the value of the vehicle or goods.

Exception

(2) Tax under subsection (1) does not apply to

(a) goods, other than a specified motor vehicle, brought into a participating province from a place outside Canada by a registrant whose net tax is determined under section 225.1 or under Part IV or V of the *Streamlined Accounting (GST) Regulations*) for consumption, use or supply exclusively in the course of commercial activities of the registrant;

(b) a mobile home or a floating home that has been used or occupied in Canada as a place of residence for individuals; or

(c) goods included in Schedule VII.

Value of goods

(3) For the purposes of this section, the value of goods brought into a province is equal to

(a) in the case of a specified motor vehicle that a person is required to register under the laws of the province relating to the registration of motor vehicles, the prescribed value;

(b) in the case of prescribed property brought into a province in prescribed circumstances, the value determined in prescribed manner; and

(c) in any other case, the value of the goods determined in accordance with section 215.

When tax payable

(4) Tax under subsection (1) on goods brought into a participating province by a person becomes payable by that person

(a) in the case of a specified motor vehicle that the person is required to register under the laws of the province relating to the registration of motor vehicles, on the earlier of the day the person so registers the vehicle and the day on or before which the person is required to register the vehicle; and

(b) in any other case, on the day on which the goods are

brought into the province.

Subdivision b

Tax on intangible property and services

Tax in
participating
province

220.08 (1) Subject to this Part, every person who is resident in a particular participating province and is the recipient of a taxable supply made in a non-participating province of intangible personal property or a service that is acquired by the person for consumption, use or supply primarily in participating provinces shall pay to Her Majesty in right of Canada, each time an amount of consideration for the supply becomes due or is paid without having become due, tax equal to the amount determined by the formula

$$A \times B \times C$$

where

A is the tax rate for the particular participating province;

B is the value of that consideration that is paid or becomes due at that time; and

C is the extent (expressed as a percentage) to which the person acquired the property or service for consumption, use or supply in participating provinces.

When tax
payable

(2) Tax under subsection (1) that is calculated on an amount of consideration for a supply that becomes due at any time, or is paid at any time without having become due, becomes payable at that time.

Non-taxable
supplies

(3) No tax is payable under subsection (1) in respect of a supply of intangible personal property or a service included in Part II of Schedule X.

Subdivision c

Returns and payment of tax

Returns and
payment

220.09 (1) Where tax under this Division becomes payable by a person,

(a) where the person is a registrant, the person shall, on or before the day on or before which the person's return under section 238 for the reporting period in which the tax became payable is required to be filed, pay the tax to the Receiver General and report the tax in that return; and

(b) in any other case, the person shall, on or before the last day of the month following the calendar month in which the tax became payable, pay the tax to the Receiver General and file with the Minister in prescribed manner a return in respect of the tax in prescribed form containing prescribed information.

Exception

(2) Notwithstanding subsection (1), where tax under section 220.05, 220.06 or 220.07 is payable by a person in respect of a specified motor vehicle that the person is required to register under the laws of a participating province relating to the registration of motor vehicles,

(a) where the person is a registrant, the person is not required to report the tax in a return, and

(b) where the person is not a registrant, the person is not required to file a return in respect of the tax,

and the tax shall be paid to the Receiver General at the earlier of the time the person registers the vehicle and the time at or before which the person is required to register it.

Deduction for
prescribed
amount

(3) Where tax under this Division becomes payable by a person and all or any portion of that tax is an amount that is prescribed for the purposes of subsection 234(3), that amount shall be deducted from the tax payable in determining the amount required under subsection (1) to be paid.

No return
required

(4) Where the amount that a person is required to pay to the Receiver General under subsection (1) is nil, the person is not

required to file a return under this Division.

(2) Subsection (1) comes into force on April 1, 1997.

1990, c. 45, s.
12(1)

206. (1) Paragraph 223(1)(a) of the Act is replaced by the following:

(a) both the consideration paid or payable by the recipient for the supply and either

(i) the tax payable in respect of the supply in a manner that clearly indicates the amount of the tax, or

(ii) the rate of tax payable in respect of the supply and, where the invoice, receipt or agreement relates to taxable supplies and supplies in respect of which no tax is payable, the supplies in respect of which tax at that rate is payable; or

(2) Subsection (1) comes into force on April 7, 1997.

1993, c. 27, s.
88(1)

207. (1) Paragraph 225(5)(b) of the Act is replaced by the following:

<[ip2n,2n]>(b) an improvement to the complex acquired, imported or brought into a participating province by the registrant after the complex was last acquired by the registrant,

(2) Subsection (1) comes into force on April 1, 1997.

208. (1) Subparagraph (a)(ii) of the description of B in subsection 225.1(2) of the Act, as enacted by subsection 45(1), is replaced by the following:

(ii) personal property acquired, imported or brought into a participating province by the charity for use as capital property of the charity, and

(2) Paragraph (b) of the description of B in subsection 225.1(2) of the Act, as enacted by subsection 45(1), is replaced by the following:

(b) 60% of the total of all amounts in respect of specified supplies that may be deducted by the charity under subsection 232(3) or 234(2) or (3) in determining

the net tax for the particular reporting period and are claimed in the return under this Division filed for that reporting period,

(3) Subsections (1) and (2) come into force on April 1, 1997.

209. (1) The Act is amended by adding the following after section 225.1, as enacted by subsection 45(1):

Selected listed
financial
institutions

225.2 (1) For the purposes of this Part, a financial institution is a selected listed financial institution throughout a reporting period in a fiscal year that ends in a particular taxation year of the financial institution if the financial institution is a listed financial institution described in any of subparagraphs 149(1)(a)(i) to (x) during the particular year and the preceding taxation year and