



## Foreign Convention and Tour Incentive Program – Hunting and Fishing Packages

This info sheet explains when hunting and fishing packages are eligible tour packages for purposes of claiming a GST/HST rebate under the Foreign Convention and Tour Incentive Program (FCTIP). It also explains how Canadian suppliers such as outfitters account for rebate amounts they pay or credit to non-residents.

In this publication, “GST” means the 5% goods and services tax and “HST” means the 13% harmonized sales tax.

“Non-resident” means a person not resident in Canada and could be an individual, a business or an organization.

“Registrant” means a person who is registered, or is required to be registered, for GST/HST purposes.

### Eligible tour packages

If a hunting or fishing package is a tour package for GST/HST purposes, the next step is to determine if it is an eligible tour package for purposes of claiming a FCTIP rebate. For information on when a package is a tour package for GST/HST purposes, see GST/HST Info Sheet GI-044, *Foreign Convention and Tour Incentive Program – Tour Packages: What is an Eligible Tour Package*.

When certain conditions are met, a non-resident that purchases a hunting or fishing package will be able to claim a GST/HST rebate if the package is an eligible tour package.

For information on the rebate for eligible tour packages, see GST/HST Info Sheet GI-032, *Foreign Convention and Tour Incentive Program – Non-Residents*

### *Purchasing Tour Packages: Rebate for Eligible Tour Packages.*

An eligible tour package is a tour package that is sold for an all-inclusive price and that includes:

- short-term and/or camping accommodation in Canada; and
- at least one service.

### *Short-term or camping accommodation*

Short-term accommodation means the rental of an accommodation unit as a place of lodging for an individual who will occupy it continuously for a period of less than one month and that costs more than \$20 per night. Lodging in a cabin would usually be short-term accommodation.

Overnight shelter such as in a tent is also short-term accommodation, but only when it is part of a tour package and the package also includes food and the services of a guide.

Short-term accommodation does not include a complex or unit when it is provided under a timeshare arrangement, or overnight shelter on a train, trailer, boat, or structure that is, or could be, self-propelled.

### **Example 1**

A fishing package in British Columbia sold for an all-inclusive price consists of lodging on a houseboat and air transportation. This package does not include short-term accommodation in Canada. Any type of overnight shelter on a boat is not short-term accommodation.

Camping accommodation means a campsite at a campground or recreational trailer park that is rented continuously as a place of lodging for periods

of less than one month for the same individual. It includes water, electricity and waste disposal services if accessed by means of an outlet or hook-up at the campsite, and if provided with the campsite.

To determine if a hunting or fishing package is an eligible tour package, it is first necessary to determine if the package is a tour package that includes short-term and/or camping accommodation in Canada. Then, it is necessary to examine each remaining element to find out whether it is property, a service, or an input or amenity that forms part of a property or service. Once it is determined that the package includes at least one service, it is not necessary to characterize any remaining elements in the package.

### *Property*

Property is any type of property. It includes goods and a right or interest of any kind, but does not include money. Examples include:

- short-term and camping accommodation
- meals
- boats, canoes, all-terrain vehicles (ATVs) and motors
- fuel
- bait
- fishing equipment
- rights to use golf courses (green fees) and
- park passes.

### *Service*

A service is anything other than property, money, and anything that is provided to an employer by an employee (including someone who agrees to become an employee) in the course of employment. Examples include:

- a guide service;
- transportation services;
- sightseeing excursions;
- game caping;
- preparation of a hide for taxidermy;
- game processing that may include skinning animals or plucking birds, cutting, wrapping, and

packaging (freezing and storage of game may also be part of a service of game processing); and

- fish processing that may include fish scaling, cutting, wrapping, and packaging (fish freezing and storage may also be part of fish processing).

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### **Guide service**

If the guide plays an active role in assisting hunters and anglers on their expeditions then for purposes of claiming a rebate, a service is being provided.

For hunting packages, a guide service usually consists of accompanying hunters to a hunting site, assisting them in tracking game, and helping them to get the game back to camp.

For fishing packages, a guide service usually consists of helping anglers find good fishing sites, accompanying them on their fishing expeditions, and teaching them fishing techniques.

Activities limited to informing hunters or anglers of their rights and responsibilities; giving them an overview of the rules, policies and regulations such as boating and navigation rules; briefing them on the local trails and hunting/fishing areas; or providing site maps are not considered to be a guide service.

In addition, the CRA does not consider setting stands and baiting sites to be a guide service; rather, they are inputs consumed or used by an outfitter to provide hunting or fishing packages. More information on inputs is provided under the heading “Inputs and amenities”.

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### **Transportation services**

Transportation services include transportation by train, bus or floatplane, or helicopter transfers to and from a lodge. Transportation to hunting or fishing sites by ATV or boat may be a transportation service if a person transports and picks up clients from specific sites.

Transportation services do not include ATVs, canoes, boats, or other vehicles available on site for the use of clients, or any vehicle that clients drive or propel themselves.

### *Inputs and amenities*

A tour package may include several elements such as accommodation, transportation and a guide service. Clients are aware that they are paying for these elements that are included in a tour package. These elements may also be sold separately.

It is important to distinguish between the elements that are actually sold to the hunters or anglers as part of a hunting or fishing package and those that are inputs consumed or used by an outfitter to provide the packages. Generally, inputs are elements that are not for one person in particular, but rather for the benefit of all clients. For example, setting up and maintaining a target range for hunters to practise shooting at targets is an input. Another example is setting and baiting sites to attract animals.

#### **Amenities that form part of property or a service**

A tour package may include inputs that serve only to enhance an element. These inputs are amenities that are part of an element and are generally not provided alone.

To determine whether something is an amenity, the CRA usually considers its role in the package. If an item plays a minor or subordinate role in relation to an element, or if no part of the cost can reasonably be attributed to it, it is likely to be an amenity that forms part of an element. For example, providing facilities for freezing or storing game or fish is considered an amenity that forms part of the accommodation when the freezing or storing is not provided as part of game or fish processing.

The following are usually considered to be amenities that form part of the accommodation:

- baggage handling;
- parking in a parking lot;
- housekeeping;
- access to a lounge facility;
- a boat launch ramp;
- charging boat batteries;
- fish finders and live wells;
- wharfage and dockage;

- freezing and storing game or fish when they are not provided as part of game or fish processing; and
- coolers and meat boxes.

In addition, one of the factors that the CRA considers in determining whether an item is an amenity or a service is whether the item involves specialized skills or a significant amount of time on the part of the outfitters.

**Note:** If you are not sure whether an element is property, a service or an input such as an amenity that forms part of property or a service, you may ask for a written ruling or interpretation. See GST/HST Memorandum 1.4, *Excise and GST/HST Rulings and Interpretations Service*, for more information.

#### **Examples of packages which are or are not tour packages**

Below are some examples of elements that are either property or services. If a package in these examples includes short-term and/or camping accommodation in Canada and at least one service and is sold for an all-inclusive price, it is a tour package and an eligible tour package for GST/HST purposes. To simplify these examples, assume that the described packages are sold for an all-inclusive price and that the accommodation is short-term and/or camping accommodation in Canada. Information on all-inclusive price can be found under the heading “Meaning of all-inclusive price”.

#### *Eligible tour packages*

##### **Example 2**

A package provides accommodation, meals and a guide service. This package includes a service: the services of a guide.

##### **Example 3**

A fishing package provides accommodation, transportation by floatplane to and from the accommodation, and a guide service. This package includes two services: a guide service and the floatplane transportation service.

##### **Example 4**

A package provides accommodation, meals and a helicopter transfer from an airport to the remote accommodation. This package includes a service. The helicopter transfer is a transportation service.

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**Example 5**

A bird-hunting package provides accommodation, transportation by train and game processing that consists of cleaning, plucking and freezing of the birds a hunter shoots. ATVs are also available on site for the hunter's use. This package includes two services: the transportation by train and the game processing.

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**Example 6**

A moose-hunting package provides accommodation and game processing that consists of cutting, wrapping, freezing, and storage of the moose a hunter shoots. This package includes a service: the game processing.

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**Example 7**

A package provides accommodation, supervised parking, baggage handling, and guided photography hikes. This package includes a service: the guided photography hikes. The baggage handling is an amenity that forms part of the accommodation.

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**Example 8**

A hunting package provides accommodation, meals, game caping, and the preparation of the hide for taxidermy. This package includes two services: the game caping and the preparation of the hide for taxidermy.

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**Example 9**

A fishing package provides accommodation and fish processing that consists of scaling, cutting, wrapping, and freezing the fish the angler catches. This package includes a service: the fish processing.

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*Packages that are not eligible tour packages*

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**Example 10**

A package provides accommodation, meals, boat, fuel, and coolers or meat boxes for transporting game. This package does not include a service. The meals, boat and fuel are property. Coolers or meat boxes are amenities that form part of the accommodation.

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**Example 11**

A hunting package provides accommodation, daily housekeeping, and meals. This package does not include a service. The accommodation and meals are both properties. Daily housekeeping is an amenity that forms part of the accommodation.

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**Example 12**

A fishing package provides accommodation and meals. Freezers are available on site for fish freezing. This package does not include a service. The accommodation and meals are both properties. The fish freezing is an amenity that forms part of the accommodation. It is not provided as part of fish processing.

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**Licences and fees**

Outfitters may sell hunting and fishing licences, tags and seals. These licences, tags and seals are sold on behalf of provincial and territorial governments. Therefore, when an outfitter or other authorized person sells a licence, tag or seal to a hunter or angler, it is still the government that is making the sale. Because the licences, tags and seals are not sold by the same person, they cannot form part of a tour package. Their costs, if included in the price of a package, cannot be included when calculating the rebate amount to which a hunter or angler may be entitled.

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**Example 13**

A hunting package sold for \$4,000 provides short-term accommodation in Canada, a hunting licence, meals, and a guide service. Because the hunting licence is sold on behalf of a provincial government, it does not form part of the tour package. If the cost of the licence is \$100, the rebate amount is calculated on \$3,900.

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**Meaning of all-inclusive price**

Even if a tour package contains short-term and/or camping accommodation in Canada and at least one service, it must be sold for an all-inclusive price to be an eligible tour package.

Generally, an all-inclusive price means a single price for all property and services sold together in a package. However, prices for certain elements included in a tour package are sometimes listed on an invoice for information purposes only. For example, the price of accommodation included in a tour package may be listed on an invoice to inform the purchaser of the amount on which the applicable provincial sales tax is calculated. This package is sold for an all-inclusive price because the price of accommodation is listed separately for information purposes only.

A package is not sold for an all-inclusive price when the prices of the elements are listed separately on an invoice because some or all of the property or services are sold separately, or are sold on behalf of other persons.

#### Example 14

A fishing package provides short-term accommodation in Canada and meals. A guide service is offered for an additional fee. The outfitter's invoice shows a single price for the accommodation and meals, and a separate price for the guide service.

Because the guide service is optional and provided separately, it does not form part of the fishing package. The accommodation and meals are both properties. Therefore, this package is not an eligible tour package even if the outfitter issues only one invoice.

Some outfitters offer hunting packages that include complimentary fishing in the vicinity of the hunting camp. The complimentary fishing may include a boat, bait and gas. The complimentary fishing forms part of the accommodation for the hunting package if all the elements are sold for an all-inclusive price.

#### Example 15

A hunting package provides short-term accommodation in Canada, meals and a guide service. A boat, gas, cooler, and fishing equipment are available on site for the hunter's use. The outfitter charges an all-inclusive price for the package. This is considered to be a single package.

#### Customized packages

Customized tour packages are eligible tour packages if they are sold for an all-inclusive price and if they include short-term and/or camping accommodation in Canada and at least one service.

#### Example 16

An outfitter offers base packages that provide short-term accommodation in Canada and meals. The outfitter offers a guide service for a higher all-inclusive price. A hunter chooses to include the guide service in the hunter's package. The outfitter combines all the elements and invoices the hunter for an all-inclusive price.

This package is an eligible tour package. It includes short-term accommodation in Canada and a service (the guide service). In addition, all the elements are combined together into a single supply and are sold for an all-inclusive price.

#### Example 17

An outfitter offers fishing packages that provide short-term accommodation in Canada in a lodge, meals, a boat, and bait. Anglers may also purchase a guide service and floatplane transportation to and from the lodge. An angler purchases the fishing package and the transportation. The outfitter's invoice shows the price of the package and the price of the transportation as two separate items.

This customized package is not an eligible tour package because it includes only properties (accommodation, meals, a boat, and bait).

The transportation listed on the invoice does not form part of the package as it is sold separately.

#### Rebate for eligible tour packages

Non-residents can receive a GST/HST rebate for the tax paid on hunting and fishing packages that are eligible tour packages by:

- filing a rebate claim with the CRA using form GST115, [GST/HST Rebate Application for Tour Packages](#); or
- being paid or credited the rebate amount by a registrant (e.g., an outfitter) at the point of sale, if certain conditions are met. More information is available under the heading "Paying and crediting the rebate amount".

The rebate amount is usually 50% of the GST/HST paid on an eligible tour package, but the rebate amount is reduced if any ineligible accommodation such as overnight shelter on a train or boat is included in the package. GST/HST Info Sheet GI-032, *Foreign Convention and Tour Incentive Program – Non-Residents Purchasing Tour Packages: Rebate for Eligible Tour Packages*, provides detailed information on how to calculate the rebate and explains the eligibility requirements for claiming a rebate amount.

#### Supporting documentation

Non-residents who file rebate claims with the CRA must attach the required supporting documents to prove that they paid the GST/HST and that the package is an eligible tour package.

Note: An invoice showing **only** the tax payable (but not paid) is not enough.

If the invoice is the only document that clients receive from the outfitter, then this invoice must provide sufficient details to prove that the package was a tour package that was sold for an all-inclusive price and that it included at least one service. The invoice must also indicate the number of nights of short-term and/or camping accommodation in Canada included in the package. If the required information is not included, the rebate claim will be denied.

If the invoice does not provide all the necessary information, the non-resident may attach other documents (e.g., itineraries, brochures, outfitter's letter) to prove that the hunting or fishing package was an eligible tour package.

Below is an example of an invoice that is acceptable for rebate purposes. Other types of documents are also acceptable as long as they provide the required information.

#### Example 18

An outfitter in Newfoundland and Labrador sells a hunting package that provides transportation by floatplane to and from a hunting camp in Labrador, accommodation in a hunting lodge for the first and last night of the package, and 3 nights accommodation in a cabin, all meals, and a guide service for a total price of \$3,000. The outfitter charges additional fees of \$200 for the use of a boat and fishing equipment and \$300 for the purchase of a hunting licence.

The outfitter's invoices shows:

Hunting package*	\$3,000
Rental of boat and fishing equipment	200
Hunting licence	+ 300
Subtotal	\$3,500
HST (13% × \$3,500)	455
Total amount payable	\$3,955
Total amount paid	\$3,955

\*Package includes floatplane transportation to and from Goose Bay, Labrador, and the hunting camp located at Moose-Hunting Lake, Labrador, 2 nights accommodation at the hunting lodge at \$200 per night, and 3 nights accommodation at a cabin at \$50 per night, 3 meals/day, and a guide service. The package does not include the purchase of a hunting licence or the rental of a boat and fishing equipment.

The non-resident is entitled to claim a rebate that is calculated on the \$3,000 price of the package. The other items listed on the invoice (i.e., the hunting licence and the rental of a boat and fishing equipment rental) do not form part of the eligible tour package and the accommodation is listed separately for information purposes only.

#### Paying and crediting the rebate amount

Registrant outfitters that sell eligible tour packages to non-residents may be able to pay or credit the rebate amount at the point of sale.

**Note:** GST/HST Info Sheet GI-032, *Foreign Convention and Tour Incentive Program – Non-Residents Purchasing Tour Packages: Rebate for Eligible Tour Packages*, explains the conditions for paying or crediting the rebate amount at the point of sale and how to calculate the rebate amount. It also sets out the outfitters' responsibilities for keeping documentary evidence.

The following summarizes the rules that apply when outfitters pay or credit a rebate amount.

- They charge the 5% GST or 13% HST on the package.
- They show the GST/HST payable and the rebate amount paid or credited on their invoices.
- They account for the GST/HST charged on line 103 of their GST/HST return.
- They may claim a deduction, equal to the rebate amount paid or credited, on line 107 of their GST/HST return.
- They file form GST106, *Schedule 2 – Information on Claims Paid or Credited for Foreign Conventions and Tour Packages*.

If an outfitter pays or credits a rebate amount to a non-resident, the outfitter has to deduct the amounts for any property and services provided that are included in the package price that do not qualify for a rebate (e.g., licences and tags) before calculating the rebate amount. In addition, the rebate amount is reduced if any ineligible accommodation such as overnight shelter on a train or boat is included in the package.

The example below explains the steps involved in crediting a rebate amount for an eligible tour package that includes property or services that are not eligible for a rebate.

#### Example 19

An outfitter in Manitoba sells a package to a non-resident for \$4,000 plus \$200 GST. The package provides floatplane transportation to and from a hunting lodge in Manitoba, short-term accommodation at the lodge, meals, a guide service, and the purchase of a hunting licence. The outfitter credits the rebate amount at the point of sale.

Because the hunting licence is sold on behalf of the provincial government, it is not part of the tour package and its cost cannot be included in the amount on which the rebate is calculated. Therefore, the outfitter has to subtract the cost of the licence from the \$4,000 before determining the rebate amount. Assume the cost



of the licence is \$360. The outfitter calculates the cost of the tour package eligible for a rebate as follows:

Total price	\$4,000
Minus licence	<u>- 360</u>
Cost of tour package eligible for the rebate	\$3,640

The outfitter calculates the rebate amount as follows:

GST paid on the tour package ( $\$3,640 \times 5\%$ ) =	\$182
Rebate ( $\$182 \times 50\%$ ) =	\$91

The outfitter's invoice to the non-resident should show the following:

Hunting package*	\$3,640
Hunting licence	<u>+ 360</u>
Subtotal (before tax)	\$4,000
GST ( $\$4,000 \times 5\%$ )	<u>200</u>
Subtotal	\$4,200
Less credit of GST rebate amount	<u>- 91</u>
Net amount payable	\$4,109
Total amount paid	\$4,109

\*Hunting package includes floatplane transportation to and from Winnipeg and the hunting lodge located at Deer-Hunting Lake, Manitoba, 3 nights accommodation at the hunting lodge at \$100 per night, 2 meals/day, and a guide service.

The outfitter includes the following amounts on its GST/HST return for the reporting period in which the GST was charged. The outfitter does not include any amounts related to the purchase of the hunting licence (amount charged for the licence and GST) because the provincial government has to account for the tax on the licence to the CRA.

Sales and other revenue (line 101):	\$3,640	
GST/HST collected (line 103)	182	
Adjustments (line 104)	<u>0</u>	
Total GST/HST/adjustments (line 105)		182
Input tax credits (line 106)	0	
Adjustment (line 107)	<u>91</u>	
Total ITCs /adjustments (line 108)		<u>91</u>
<b>Net tax (line 109)</b>		<b>\$91</b>

The outfitter also includes the information related to the credit for the rebate amount on form GST106.

In addition, the outfitter gives the amount charged for the hunting licence, plus the applicable GST to the provincial government:

Hunting licence	\$360
GST ( $\$360 \times 5\%$ )	<u>18</u>
Total given to provincial government	\$378

### Additional information

Info sheet GI-047, *Taxidermy – Animal, Bird, and Fish Mounts*, provides information that may be of interest to hunters/anglers.

This info sheet does not replace the law found in *the Excise Tax Act* (the Act) and its Regulations. It is provided for your reference. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate regulation, or contact any CRA GST/HST Rulings Centre for additional information. These centres are listed in GST/HST Memorandum 1.2, [Canada Revenue Agency GST/HST Rulings Centres](#). If you wish to make a technical enquiry on the GST/HST by telephone, please call the toll-free number 1-800-959-8287. A ruling should be requested for certainty in respect of any particular GST/HST matter.

If you are located in Quebec and wish to make a technical enquiry or request a ruling related to the GST/HST, please contact Revenu Québec by calling the toll-free number 1-800-567-4692.

All GST/HST publications are available on the CRA Web site at [www.cra-arc.gc.ca/gstgsttech](http://www.cra-arc.gc.ca/gstgsttech).