

Guide to Registration



This publication is provided for information purposes only. Its contents do not replace the statutes, regulations and administrative documents to which they refer, or any proposed legislative amendments; nor do they constitute a legal interpretation of the *Excise Tax Act*, the *Act respecting the Québec sales tax*, or any other Québec or federal statute. Some of the information contained in this guide takes into account proposed amendments to the *Excise Tax Act*, the *Act respecting the Québec sales tax*, and attendant regulations. However, the publication of this information does not constitute a statement by the Minister to the effect that the amendments in question are actually in force in their present form.

For information on the goods and services tax and the harmonized sales tax (GST/HST) as they relate to individuals, businesses and organizations that are not resident in Canada, please contact the Canada Revenue Agency.

For all other information, you may contact the Revenu Québec office in your area.

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Introduction

The purpose of this guide is to facilitate your registration for the various files administered by Revenu Québec. The guide contains

- line-by-line explanations on how to complete the *Application for Registration* (form LM-1-V);
- a list of the documents that must be filed with an application for registration;
- basic explanations concerning the GST/HST and the QST;
- information about tobacco and fuel;
- an explanation of what to expect after submitting your application for registration;
- information on other forms relating to registration.

Refer to the brochure *Should I Register with Revenu Québec?* (IN-202-V) to determine whether you are required to register or, if registration is optional in your case, whether it is in your interest to register.

If you simply wish to obtain an employer identification number, you may contact Revenu Québec to make a verbal request. In most cases, it will not be necessary to complete the *Application for Registration*.

General considerations

Federal-provincial agreement

It should be noted that, under an agreement between the federal and Québec governments, the Ministère du Revenu du Québec administers the goods and services tax (GST) in Québec. Individuals, organizations and businesses that are required to collect the GST and that have an establishment or a head office in Québec must therefore deal with Revenu Québec.

However, persons that are not resident in Québec, whose head office is located outside Québec, or that carry on commercial activities only outside Québec must contact the Canada Revenue Agency concerning registration for the GST.

Businesses that register for the GST are automatically registered for the harmonized sales tax (HST), which applies to taxable sales in the provinces of New Brunswick, Newfoundland and Labrador and Nova Scotia. As the rules for the two taxes are similar, the abbreviation GST/HST is used by the federal government in all of its documentation; the abbreviation is also used in this guide, despite the fact that the majority of businesses in Québec are unaffected by the HST.

Language of communication

In accordance with the *Charter of the French language*, correspondence arising from the application of Québec statutes administered by Revenu Québec must be in French with corporations or legal persons established in Québec. We may communicate in English with natural persons (individuals or partnerships), provided they so request by checking the appropriate box on the *Application for Registration*.

In accordance with the *Official Languages Act*, correspondence arising solely from the application of the *Excise Tax Act* may, in most cases, be in French or English, as requested by the registrant.

Certificates such as the QST registration certificate are in French only, in compliance with the *Charter of the French language*.

Power of Attorney, Authorization to Communicate Information, or Revocation (form MR-69-V)

The president, a vice-president, the secretary or the treasurer of a corporation may represent the corporation. Each member of a partnership may represent the partnership, except where an agreement stipulates otherwise.

You may authorize any person to represent you and to obtain confidential information concerning your business. To do so, complete form MR-69-V, *Power of Attorney, Authorization to Communicate Information, or Revocation*. The person so designated may be a person within your business or outside your business (such as an employee of an accounting firm or a payroll service).

Definitions

Business Number (BN)

The first nine digits of the number assigned to you by the Canada Revenue Agency when you open an account respecting payroll deductions, imports and exports, or corporation income tax, or obtain a registration number for a charity. You may apply for a Business Number either before or after you register with Revenu Québec.

Corporation, association, co-operative, organization or other entity

Any legal person or group of persons pursuing a common goal (excluding partnerships) with or without the intent of earning a profit.

Individual

A natural person

- who operates one or more businesses of which he or she is the sole owner, often referred to as a “sole proprietor” or an “individual in business.” This type of business does not constitute a separate legal entity, as the business and its owner are one and the same;
- whose income is derived from the practice of a profession or from commissions, often referred to as a “self-employed person”; or
- who employs domestic help (for example, a person who hires a babysitter).

Partnership

An entity in which two or more persons agree, in a spirit of co-operation, to carry on an activity (including the operation of a business), to contribute to it by pooling their property, knowledge or activities, and to share any resulting profits.

May be a general partnership, a limited partnership or an undeclared partnership.

Québec enterprise number (NEQ)

A ten-digit number assigned to corporations by the Registraire des entreprises. In the case of entities other than corporations, the NEQ may be assigned by the Registraire des entreprises, the clerk of the Superior Court of Québec, or Revenu Québec. Your NEQ is indicated on the document you used to select the commercial name for your business.

Required documents

To register for the files administered by Revenu Québec, you must complete the *Application for Registration* (form LM-1-V). The following is a list of the principal documents you must submit with your application.

Individual

- A copy of your declaration of registration (where applicable)
- A power of attorney, if another person completes and signs the application for registration on your behalf
- Form MR-69-V, if you wish Revenu Québec to communicate confidential information concerning you to a third party
- Proof that you charged tax to a customer and therefore were in business prior to your application (sales invoices, service contracts, etc.), if you are applying for registration retroactively
- A list of the addresses of all establishments you intend to operate (or to have operated by another person) as a fuel retailer or tobacco retailer.

Partnership or trust

- A copy of your declaration of registration (where applicable) or your declaration of trust
- A power of attorney, if the person signing the application is not a partner
- Form MR-69-V, if you wish Revenu Québec to communicate confidential information concerning you to a third party
- Proof that you charged tax to a customer and were therefore in business prior to your application (sales invoices, service contracts, or a balance sheet proving that your sales exceeded \$30,000), if you are applying for registration retroactively
- A list of the addresses of all establishments you intend to operate (or to have operated by another person) as a fuel retailer or tobacco retailer.

Corporation, association, co-operative, organization or other entity

- A copy of your declaration of registration (where applicable)
- A copy of the document certifying incorporation (where applicable)
- A copy of the articles of incorporation, if the entity is not registered in Québec (where applicable)
- A copy of the document certifying amalgamation with another entity (where applicable)
- A resolution by the board of directors, if the person signing the application for registration is not the secretary, the treasurer, a vice-president or the president
- Form MR-69-V, if you wish Revenu Québec to communicate confidential information concerning you to a third party
- Proof that you charged tax to a customer and therefore were in business prior to your application (sales invoices, service contracts, or a balance sheet proving that your sales exceeded \$30,000), if you are applying for registration retroactively
- A list of the addresses of all establishments you intend to operate (or to have operated by another person) as a fuel retailer or tobacco retailer.

How to complete the application for registration

The following pages contain instructions and explanations that will assist you in completing the *Application for Registration* (form LM-1-V), with which you can register for the various files administered by Revenu Québec.

Please print in ink.

A Identification

This section is essential, as it enables us to identify you. If the information provided is incomplete, your registration will be delayed.

Read the definitions on page 7 in order to complete the section that applies to you (A1 or A2).

Enter your 10-digit Québec enterprise number (NEQ), where applicable. The NEQ always begins with 22, in the case of individuals; 33, in the case of partnerships; and 11 or 88, in the case of all other entities.

Enter the first nine digits of the Business Number (BN) assigned to you by the Canada Revenue Agency when you opened an account respecting payroll deductions, imports and exports, or corporation income tax, or obtained a registration number for a charity.

A1 Individual

- Enter your last name, first name, social insurance number and date of birth. Also enter your home address (be sure to specify "street," "avenue," etc., as you cannot indicate **only** a post office box or postal station), telephone number (including the extension) and cellular telephone number (where applicable).
- Check the box corresponding to your preferred language of communication.

A2 Other entity

- If you are completing the application for registration on behalf of a partnership, enter the name appearing on the declaration of registration of your partnership. If your partnership is not registered, provide the last name and the first name of each partner.

- If you are completing the application for registration on behalf of a corporation, enter the name appearing on the document certifying incorporation. If you are completing the application for registration on behalf of an association, co-operative, organization or other entity, enter its official name.
- **Date of formation:** Enter the date on which your partnership was created and acquired juridical existence. For entities other than partnerships, enter the date indicated on the certificate of incorporation. Do not confuse this date with the date on which the document certifying incorporation or amalgamation was filed. However, it may be the same date as the date on which the articles of incorporation were filed.
- Enter the address of the partnership's place of business or the address of the corporation's (or other entity's) head office (be sure to specify "street," "avenue," etc., as you cannot indicate **only** a post office box or postal station) and the telephone number (including the extension).
- Check the box corresponding to your preferred language of communication (if this option is available to you).
- **Origin of articles of incorporation:** Indicate the government or country that issued your articles of incorporation. Include a copy of the articles of incorporation, if the entity is not registered in Québec.
- **Was there an amalgamation?** Indicate whether the entity results from an amalgamation. Include a copy of the certificate of amalgamation or of any other document certifying the amalgamation.

A3 Partners or directors

If you complete this form on behalf of a partnership, enter the last name, first name, social insurance number, home address (including the postal code) and telephone number (including the extension) of each partner. If there are more than three partners, attach a sheet containing this information for each of the additional partners.

If the partnership **is not registered** (that is, does not have a NEQ), **you must have each partner sign and indicate the percentage of his or her interest in the partnership.**

If you complete this form on behalf of any other entity, enter the last name, first name, social insurance number, home address (including the postal code) and telephone number (including the extension) of the president, a vice-president, the secretary and the treasurer.

The *Act respecting the Ministère du Revenu* authorizes us to request the social insurance number of any person in respect of whom an application for registration is filed.

B Other addresses

B1 Name and address of the business

If the name and address of the business are identical to the information provided in section A, check the box and proceed to the next section.

If not, enter the name under which you carry on your activities. For example,

“J.D. Graphics” could be the name of a sole proprietorship owned and operated by a graphic artist named James Dawson;

“ABC Catering” could be the name of a partnership owned and operated by Alice, Beverly and Cynthia Harrington;

“Lakeshore Boutique” could be the commercial name of a corporation registered as 0123-3210 Québec inc.

The business name indicated in section B1 **must be identical** to the name entered on your application for a Québec enterprise number (NEQ).

Also enter the address of your principal place of business (be sure to specify “street,” “avenue,” etc., as you cannot indicate **only** a post office box or postal station), as well as its telephone number (including the extension), cellular telephone number and fax number (if applicable).

B2 Mailing address

Indicate the address where you wish to receive documents pertaining to corporation income tax, source deductions and consumption taxes (GST/HST, QST and the tax on alcoholic beverages). For example, opposite “Source deductions,” you may indicate the address of your payroll officer.

C Information about the business

Start-up date of operations

Enter the earliest of the following dates:

- the date on which the business began carrying on its activities in Québec;
- the date on which the first steps were taken with a view to operating the business; or
- the date of the first transaction made with a view to operating the business (purchase of equipment, contract signed prior to incorporation, etc.).

End-date of fiscal year

Enter the date on which the business closes its books and prepares its financial statements. This information is extremely important.

In certain cases, you may elect to use a different reporting period for the GST/HST and the QST. Refer to the section entitled “Other forms relating to registration” on page 27.

C1 Your activities

Describe in specific terms your principal activity and your secondary activities, if any.

Indicate which products or services supplied by you are of the greatest importance to your business. Also indicate any products or services supplied by you that are of secondary importance or that complement your principal activity.

If your business has no secondary activities, leave this section blank. If you have more than two secondary activities, indicate only the two most important.

The following illustrates the type of information we expect to find in this section.

Example

George is a men’s and children’s sportswear retailer. To better serve his customers, George also offers a clothing-repair service. George should enter the following information:

Principal activity: Retail sale of men’s and children’s sportswear

Secondary activities: Repair of men’s and children’s sportswear

Check the box that corresponds to your situation, if applicable.

Indicate the category that applies to your business.

Registered charity

Check this box if you are a registered charity (including a public institution) or a registered Canadian amateur athletic association, within the meaning of the *Income Tax Act* or the *Taxation Act*. Enter your registration number.

Non-profit organization that is subsidized in a proportion of 40% or more

Your organization is a “non-profit organization” if

- it was organized and is operated solely for non-profit purposes;
- it is not an individual, an estate, a trust, a charity, a public institution (a school authority, hospital authority, public college, university or municipality) or a government; and
- it pays none of its income to (nor is any of its income available for the personal benefit of) any owner, member or shareholder, unless the owner, member or shareholder concerned is a club, society or association whose primary purpose is the promotion of amateur athletics in Canada.

The term “subsidized” as used above refers to government funding, that is, any sum of money received from a grantor for the purpose of assisting you in attaining your objectives or allowing you to make exempt sales of goods or services to a third party. The term does not refer to sums of money received from the public or received in payment of sales that you have made. The proportion of government funding must be calculated annually.

A grantor may be the federal government, a provincial government, a municipality, a corporation controlled by a government or municipality, a board, trust, commission or other body established by a government or municipality, an Indian band, or an intermediary organization that received the amount from a grantor.

Consequently, an organization whose gross income is derived from government funding in a proportion of 40% or more is a non-profit organization that is subsidized in a proportion of 40% or more.

C2 Specific activities

Check the boxes that apply to your activities. Several of the activities described below involve specific fiscal obligations. Revenu Québec will inform you of these obligations and will register you for the corresponding files.

Sale of alcoholic beverages

You are required to register for the QST with respect to this activity, regardless of your total annual sales and regardless of whether you are registered for the GST/HST. You need not register if you are a small supplier and you hold a reunion permit. You may also be exempt from registering **with respect to your other commercial activities** if you are considered a small supplier under the general rules (refer to pages 23 and 24).

You must be registered for the QST before you make your first sale of alcoholic beverages.

Retail sale of tobacco products

You are deemed to be a retailer of tobacco products if you sell tobacco products for consumption, and not for resale.

You are required to register for the QST with respect to this activity, regardless of your total annual sales and regardless of whether you are registered for the GST/HST. However, you may be exempt from registering **with respect to your other commercial activities** if you are considered a small supplier under the general rules (refer to pages 23 and 24).

You must be registered for the QST before you make your first sale of tobacco products.

Be sure to read the section entitled “Information about fuel and tobacco” (page 25) concerning your other obligations with respect to tobacco.

Retail sale of fuel

You are deemed to be a retailer of fuel if you sell or deliver fuel for consumption or use, and not for resale.

You are required to register for the QST with respect to this activity, regardless of your total annual sales and regardless of whether you are registered for the GST/HST. However, you may be exempt from registering **with respect to your other commercial activities** if you are considered a small supplier under the general rules (refer to pages 23 and 24).

You must be registered for the QST before you make your first sale of fuel.

Be sure to read the section entitled “Information about fuel and tobacco” (page 25) concerning your other obligations with respect to fuel.

Activities in the clothing industry

You are deemed to carry on activities in the clothing industry if you manufacture clothing (or have clothing manufactured) in whole or in part.

As used here, the term “clothing” has its usual meaning and refers to any item that is used to cover the human body, and therefore to hide, protect or embellish it. Clothing therefore includes all items that constitute regular dress and apparel, including headwear, gloves and underclothing, as well as items that protect the human body in work situations and sports activities. Clothing does not include footwear or jewellery.

Businesses that produce sweaters, shirts, coats, headwear, scarves, and gloves manufacture clothing **in whole**. Such businesses may be wholesalers, retailers or intermediaries.

Businesses that produce embroidery, screen printing or printing manufacture clothing **in part**, as do businesses that press, wash or dye fabric after it has been cut.

You are not deemed to carry on activities in the clothing industry if you

- manufacture only made-to-measure clothing for individuals;
- manufacture clothing (or have clothing manufactured) solely for sale to persons who acquire it for purposes other than resale, otherwise than by way of gift; or
- manufacture clothing (or have clothing manufactured) solely for use in connection with your commercial activities (for example, if you manufacture sweaters with your company's logo and your employees must wear the sweaters).

Collection of insurance premiums in the course of your activities

The term “insurance” refers to a contract by which an insurer, in consideration for a premium or contribution, undertakes to pay a specified sum to the person insured if an event insured against should occur.

Check this box if you are required to collect tax on premiums arising from most insurance contracts that you sell, except premiums arising from individual insurance of persons and the premiums listed in section 520 of the *Act respecting the Québec sales tax*, which are exempt from the tax.

If you provide travel insurance, check this box only if the insurers with whom you do business are not registered for the purpose of the tax on insurance premiums.

Operation of a sleeping-accommodation establishment

A sleeping-accommodation establishment may be a hotel, tourist home, bed and breakfast establishment, hospitality village or outfitter. A sleeping-accommodation unit may be a room, bed, house, apartment, cottage or camp that is offered for short-term rental or leasing. Do not check this box if you operate any other type of sleeping-accommodation establishment (for example, a seniors' home).

You must collect the specific tax on lodging if you operate an establishment located in a tourism region that participates in the tourism partnership fund. For a list of the regions, contact Revenu Québec or consult our Web site at www.revenu.gouv.qc.ca/eng/entreprise/taxes/hebergement/info.asp.

Sale or lease of road vehicles for periods of 12 months or more

You are required to register for the QST if you sell road vehicles or lease such vehicles for periods of 12 months or more, regardless of your total annual sales and regardless of whether you are registered for the GST/HST. However, you may be exempt from registering **with respect to your other commercial activities** if you are considered a small supplier under the general rules (refer to pages 23 and 24).

You must be registered for the QST before you make your first sale or lease of a road vehicle.

Sale or lease of new tires

A specific duty is payable on all new tires intended for road vehicles, if such tires are sold at retail or leased, as well as on new tires installed on a road vehicle, if the vehicle is intended for retail sale or long-term lease.

The application of the duty is limited to new tires with a rim diameter not exceeding 62.23 centimetres (24.5 inches) and an overall diameter of no more than 123.19 centimetres (48.5 inches).

You are required to register for the QST with respect to this activity, regardless of your total annual sales and regardless of whether you are registered for the GST/HST. However, you may be exempt from registering **with respect to your other commercial activities** if you are considered a small supplier under the general rules (refer to pages 23 and 24).

You must be registered for the QST before you make your first sale or lease of new tires.

Logging operations

You are deemed to engage in logging operations if, in accordance with the *Taxation Act*, you

- cut standing timber in Québec or acquire forest products derived from standing timber in Québec, and these products are sold in or outside Québec;
- are deemed to have disposed of forest land after December 19, 2002, or engage in the sale of forest land;
- sell timber limits or timber-cutting rights in Québec; or

- cut standing timber in Québec or acquire forest products derived from standing timber in Québec, and these products are processed, by you or on your behalf, in a sawmill, pulp or paper plant, or any other forest products processing plant in Canada.

The term “forest products” includes logs (even if they are flatted), railway ties and spoolwood.

In short, Revenu Québec considers that you engage in logging operations if you **sell** processed or unprocessed forest products, but not if you simply cut or transport timber that you do not own.

Operation of a gas distribution, telecommunications or electric power system

You must be registered for the public utilities tax if you operate one of the systems below, some of whose immovables are not entered on the property assessment roll:

- a gas distribution system;
- a telecommunications system (including a cable television system); or
- an electric power production, transmission or distribution system.

The immovables in question must consist of structures that form part of the external portion of the systems described below.

A gas distribution system is any system that distributes gas to Québec consumers, but does not include systems where the connection between the system’s structures and the consumers’ immovables is ensured essentially through vehicular transportation.

A telecommunications system is a system other than a television, radio or wireless telecommunications system.

An electric power system includes any system of production, transmission or distribution of electric power for consumption in Québec or for resale to Québec consumers or to a transporter that exports electric power outside Québec. Any structure that is used to supply electric power to a person operating a system of production, transmission or distribution of electric power is deemed to be part of such a system, and the person operating the structure is deemed to operate such a system.

D Information about the GST/HST and the QST

You are required to register for the GST/HST if you supply or intend to supply goods or services in Canada and one of the situations described below applies to you.

- You are an individual, a partnership or a corporation and your annual GST/HST-taxable sales (including zero-rated sales) made worldwide by you **and your associates** total more than \$30,000 for four consecutive calendar quarters (refer to the definitions on page 20).
- You are a public service body (**that is, a non-profit organization, charity, municipality, school authority, hospital authority, public college or university**) and your annual GST/HST-taxable sales (including zero-rated sales) made worldwide by you **and your associates** total more than \$50,000 for four consecutive calendar quarters (refer to the definitions on page 20).
- You are a charity or a public institution that was covered by the special small-supplier rule before applying for registration.
- You are the operator of a taxi or limousine business.
- You are not resident in Canada, but you charge taxable admission fees directly to the public for activities or events held in Canada. You are required to register for the GST/HST in the following situations, regardless of the total proceeds from admission fees:
 - You charge admission in Canada to a place of amusement, a seminar, an activity or an event.
 - You charge admission to a convention or conference you hold in Canada, at which 25% or more of the delegates are Canadian residents.
- Irrespective of whether you are resident in Canada, you receive orders for prescribed property that is to be sent by mail or messenger to addresses in Canada, and your annual GST/HST-taxable sales (including zero-rated sales) made worldwide total more than \$30,000 (**or more than \$50,000 if you are a public service body**) for four consecutive calendar quarters.

The term “prescribed property” means

- (a) any book, newspaper, periodical, magazine, or similar publication;
- (b) any sound recording related to and accompanying such a publication.

You are deemed to carry on a business in Canada if

- you solicit orders in Canada for prescribed property that you intend to sell and the orders are to be sent by mail or messenger to addresses in Canada; or
- you offer to supply such goods in Canada through an employee or agent or through advertising aimed at the Canadian market.

Even though you are not required to register for the GST/HST, **you may opt to register** for the following reasons:

- You are beginning or have already begun your commercial activities in Canada and you wish to register before your total taxable sales (including zero-rated sales) reach the \$30,000 threshold (or \$50,000 threshold if you are a public service body) for four consecutive calendar quarters.
- Your suppliers prefer to deal with registrants.
- You wish to claim input tax credits (ITCs) respecting the GST/HST paid on purchases made in the course of your commercial activities in Canada.
- You are not resident in Canada but, in the course of carrying on a business outside Canada, you regularly take steps to obtain orders for the supply of tangible personal property to be delivered in or exported to Canada.
- You are not resident in Canada but, in the course of carrying on a business outside Canada, you concluded an agreement by which your business undertakes to supply services to be rendered in Canada or to supply intangible personal property (such as franchise rights, memberships or debt obligations) that is to be used in Canada or that relates to real property situated in Canada, to tangible personal property usually situated in Canada or to services to be rendered in Canada.

Important

Once registered, you cannot cancel your registration for at least **one year**, unless you cease your commercial activities. If you opt to register, you will be required to collect the GST/HST from your customers and remit it to Revenu Québec. You will also be required to register for, collect and remit the QST to Revenu Québec.

Note to listed financial institutions

The *Excise Tax Act* allows listed financial institutions resident in Canada to apply for GST/HST registration, even if they do not make taxable supplies and regardless of their total annual revenue from supplies.

Refer to the section entitled “Financial institutions” on page 22 for further information.

You are required to register for the QST if you supply or intend to supply property or services in Québec and one of the situations described below applies to you.

- You are already registered (or are applying to register) for the GST/HST because you carry on commercial activities in Québec.
- You are the operator of a taxi or limousine business.
- You are engaged in the retail sale of tobacco products. Together with your application for registration, you must file a list of the addresses of all the establishments that you intend to operate (including establishments that will be operated on your behalf by a third party).
- You are engaged in the retail sale of fuel. Together with your application for registration, you must file a list of the addresses of all the establishments that you intend to operate (including establishments that will be operated on your behalf by a third party).
- You are engaged in the sale of alcoholic beverages otherwise than under a reunion permit.
- You are engaged in the sale of road vehicles or lease such vehicles for periods of 12 months or more.
- You are engaged in the sale or the leasing of new tires.
- You are engaged in the sale of financial services and are no longer considered a small supplier. Note that financial services are generally exempt under the GST/HST system and zero-rated under the QST system. This situation also applies to holding companies that sell only financial services (which are exempt under the GST/HST system) and that have not registered for the GST/HST (even though they are entitled to do so under certain conditions). These entities must register for the QST (since financial services are zero-rated under the QST system and therefore subject to the QST) unless they are considered small suppliers under the QST system.
- You carry on commercial activities in Québec but are not resident in Québec. In this case, contact Revenu Québec.

Even though you are not required to register for the QST, **you may opt to register** for the following reasons:

- You are beginning or have already begun your commercial activities and you wish to register before your total taxable sales (including zero-rated sales) reach the \$30,000 threshold (or \$50,000 threshold if you are a public service body) for four consecutive calendar quarters.
- Your suppliers prefer to deal with registrants.
- You wish to claim input tax refunds (ITRs) respecting the QST paid on purchases made in the course of your commercial activities.
- You carry on commercial activities but are not resident in Québec. In this case, contact Revenu Québec.

Note that you cannot register for the QST unless you register (or have already registered) for the GST/HST.

D1 Registration

1. Indicate the date on which you wish your GST/HST registration to take effect, or the date on which you are required to be registered.

This is generally the date on which you make your first taxable sale (including zero-rated sales) in Canada. Indicate the earliest of the following dates:

- the date of your application for registration (see the note below);
- the date of the first invoice on which an amount of GST/HST was charged; or
- the date on which you make your first taxable sale (including zero-rated sales) in Canada and on which you are no longer considered a small supplier.

If you apply to be registered for the GST/HST retroactively to a date prior to the date on which you file the application for registration, you must provide proof that you charged tax to a customer and therefore were in business or proof that you were required to register before the date on which you file the application for registration (for example, a sales invoice, a service contract, zero-rated sales totalling more than \$30,000, a sales register, financial statements). In this case, contact Revenu Québec.

Note

In the case of certain activities relating to the setting up of a commercial activity, whether in the form of a business or of an adventure or concern in the nature of trade, you

may register as soon as you undertake the activities and claim input tax credits (ITCs) with respect to them, as such activities are deemed to constitute part of the business or of the adventure or concern in the nature of trade. This applies, for example, to activities relating to incorporation, reorganization and amalgamation, and to the acquisition of the customer list or goodwill of another business.

A corporation cannot be registered prior to its date of incorporation. However, expenditures incurred in relation to the activities mentioned in the preceding paragraph may qualify for ITCs, as the activities are carried out on the corporation's behalf prior to its date of incorporation.

Deadline for registration

- You must file an application for GST/HST registration before the 30th day following the day on which you make your first taxable sale in Canada in the course of a commercial activity otherwise than as a small supplier.
- All persons who enter Canada and charge admission to a place of amusement, a seminar, an activity or an event must file an application for registration before they make their first taxable sale in Canada.
- Taxi or limousine businesses must file an application for registration before the 30th day following the day on which they make their first taxable sale in Canada.

IMPORTANT

Note that you must collect the GST/HST as of the time you are required to be registered or opt to be registered.

2. Indicate the date on which you wish your QST registration to take effect, or the date on which you are required to be registered.

This is generally the date on which you make your first taxable sale (including zero-rated sales) otherwise than as a small supplier, in the course of the commercial activities you carry on in Québec. Indicate the earliest of the following dates:

- the date of your application for registration (see the note below);
- the date of the first invoice on which an amount of QST was charged; or
- the date on which you make your first taxable sale (including zero-rated sales) in Québec and on which you are no longer considered a small supplier.

If you apply to be registered for the QST retroactively to a date prior to the date on which you file the application for registration, you must provide proof that you charged tax to a customer and therefore were in business or proof that you were required to register before the date on which you file the application for registration (for example, a sales invoice, a service contract, zero-rated sales totalling more than \$30,000, a sales register, financial statements). In this case, contact Revenu Québec.

Note

In the case of certain activities relating to the setting up of a commercial activity, whether in the form of a business or of an adventure or concern in the nature of trade, you may register as soon as you undertake the activities and claim input tax refunds (ITRs) with respect to them, as such activities are deemed to constitute part of the business or of the adventure or concern in the nature of trade. This applies, for example, to activities relating to incorporation, reorganization and amalgamation, and to the acquisition of the customer list or goodwill of another business.

A corporation cannot be registered prior to its date of incorporation. However, expenditures incurred in relation to the activities mentioned in the preceding paragraph may qualify for ITRs, as the activities are carried out on the corporation's behalf prior to its date of incorporation.

Deadline for registration

- You must file an application for QST registration before the day on which you make your first taxable sale otherwise than as a small supplier.
- Persons engaged in the retail sale of tobacco products or fuel or in the sale of alcoholic beverages, road vehicles or new tires must file an application for registration before the day on which they make their first taxable sale in Québec.
- Taxi or limousine businesses must file an application for registration before the day on which they make their first taxable sale in Québec.

Important

Note that you must collect the QST as of the time you are required to be registered or opt to be registered.

D2 Reporting period

Total sales

Indicate your estimated total annual taxable sales (including zero-rated sales) made in Canada by you **and your associates** for 12 consecutive months. Revenu Québec will determine the frequency of your reporting period on the basis of this amount (referred to as “total sales”).

Your **total sales** include the taxable (and zero-rated) sales made by you and your associates in Canada, but do not include the consideration attributable to the sale of the goodwill of a business, of financial services or of capital real property (referred to as “immovables that are capital property” for QST purposes), or zero-rated supplies made outside Canada (outside Québec, for QST purposes).

General rule

The general rule set forth below applies to all registrants except those that carry on activities in the clothing industry and those that are charities or listed financial institutions. If one of these situations applies to you, refer to the section “Special cases” below.

Under the GST/HST and the QST systems, a reporting period is automatically assigned to you at the time of registration. The period is determined on the basis of your **total sales**, unless you elect to use a different reporting period. The reporting period is generally the same under the two systems. Your reporting period is

- annual (with or without instalment payments) if your **total sales** do not exceed \$500,000;
- quarterly, if your total sales exceed \$500,000, but do not exceed \$6 million; or
- monthly, if your total sales exceed \$6 million.

Your reporting period determines the frequency with which you must file GST/HST and QST returns.

If the reporting period assigned to you by us is not suitable, you may elect to use a different reporting period, provided you meet certain requirements (as explained below). However, the reporting period you choose will be the same under both the GST/HST and the QST systems. Once you make such an election, you must use your new reporting period until at least the first day of your next fiscal year, unless you no longer satisfy the requirements for the reporting period concerned.

Instalment payments

Instalment payments are partial payments of taxes that are remitted periodically to the tax authorities. The amount of the instalments is calculated on the basis of the tax paid in the previous year and the income estimated for the current year. The actual amount of taxes owed is known only after the end of the current year.

If the net GST or QST that you owe for the current year or the preceding year is less than \$1,500, you are not required to make instalment payments. Simply file your return and remit the taxes owing (or wait for your refund, as the case may be). The threshold amount of \$1,500 corresponds to the total net tax of a business, including the total net tax of its branches or divisions (even if the latter file separate GST and QST returns).

If the net GST or QST that you owe for the current year or the preceding year is more than \$1,500, you will probably be required to make four instalment payments each year and file the corresponding return. The return filed at the end of the year will allow you to adjust your total instalments to the actual net amount of taxes that you owe.

Other reporting periods that may be elected

If you wish to change the reporting period to be assigned to you by Revenu Québec, check the box corresponding to your election.

- **Monthly reporting period:** All registrants may elect to file monthly returns.
- **Quarterly reporting period:** Registrants whose total taxable sales do not exceed \$6 million may elect to file quarterly returns.

Special cases

A special rule applies if you carry on activities in the clothing industry, or if you are a charity or a listed financial institution.

Under the GST/HST and the QST systems, a reporting period is automatically assigned to you at the time of registration. Your reporting period determines the frequency with which you must file GST/HST and QST returns.

If the reporting period assigned to you by Revenu Québec is not suitable, you may elect to use a different reporting period, provided you meet certain requirements (as explained below). Once you make such an election, you must use your new reporting period until at least the first day of your next fiscal year, unless you no longer satisfy the requirements for the reporting period concerned.

Other reporting periods that may be elected in the clothing industry

If you wish to change the reporting period to be assigned to you by Revenu Québec, check the box corresponding to your election. Your reporting period may be different under the GST/HST and the QST systems.

- **For the QST:** No election is permitted. You must file monthly returns for the QST regardless of your total sales.
- **For the GST:** The general rule applies. You may elect to use a **monthly** reporting period in all cases, or a **quarterly** reporting period if your total sales in Canada (including your associates' sales) do not exceed \$6 million.

Other reporting periods that may be elected by a charity

If you wish to change the reporting period to be assigned to you by Revenu Québec, check the box corresponding to your election.

- **Monthly reporting period:** You may elect to file monthly returns.
- **Quarterly reporting period:** You may elect to file quarterly returns if your total sales in Canada (including your associates' sales) do not exceed \$6 million.

Other reporting periods that may be elected by a listed financial institution

If you wish to change the reporting period to be assigned to you by Revenu Québec, check the box corresponding to your election. Your reporting period may be different under the GST/HST and the QST systems.

- **Monthly reporting period:** You may elect to file monthly returns.
- **Quarterly reporting period:** You may elect to file quarterly returns if your total sales in Canada (including your associates' sales) do not exceed \$6 million.

E Registration with respect to source deductions

Complete this section if you pay (or expect to pay) salaries, wages or other remuneration.

Regardless of whether you are resident in Québec, you must register with respect to source deductions if you have an establishment situated in Québec

- where at least one employee to whom you pay a salary, wages or commissions reports for work; or
- from which a salary, wages or commissions are paid to an employee who is not required to report for work at one of your establishments.

Date on which salaries or wages are first paid

Indicate the date on which salaries, wages or other remuneration was first paid. Do not to confuse this date with the end-date of the first pay period.

Example

A VCR-repair service opened for business on Monday, May 2, 2005. The employees are paid on a weekly basis and receive their cheques on Wednesday.

The first work week ended on Sunday, May 8, 2005. Therefore, salaries were first paid on Wednesday, May 11, 2005.

Period of operation

Indicate whether you operate your business year-round. If you make source deductions on a seasonal basis (that is, during only a part of the year), indicate the first and last months of that period.

F Other information and certification

F1 Your financial institution

Enter the numbers of your principal financial institution and the branch at which you conduct your business transactions. These numbers are indicated on the bottom line of your business's cheques.

Request for direct deposit

Various refunds (of GST/HST, QST, source deductions, fuel tax and tobacco tax) owed to you by Revenu Québec can be deposited directly in your business account at your financial institution. If you wish to request direct deposit, check the **Yes** box and enclose a **personalized** cheque marked “VOID.” A cheque is personalized if it bears the account holder’s pre-printed name and address, as well as the codes identifying the account number and the number of the financial institution. If you do not have personalized cheques, enclose confirmation of this data from your financial institution.

You must enclose only one cheque and indicate a **single** financial institution for all amounts owed to you under the legislation covered by the application for registration, the *Tobacco Tax Act*, the *Fuel Tax Act* and the International Fuel Tax Agreement (IFTA). In addition, you must be the holder of the bank account designated. Refunds can be deposited only in an account that belongs to the business to which the refunds are owed.

Eventually, corporations will be able to request the direct deposit of refunds payable to them under the *Taxation Act*. Refunds owing to government suppliers will also be handled in the same manner. If, at the time these payments become possible, you have already opted for direct deposit, we will use this method to pay all refunds to which you are entitled.

F2 Certification

The application for registration must be signed by a person authorized to certify that the information provided is accurate. An application that is not signed or that is signed by an unauthorized person is invalid and will be returned to you unprocessed.

You may sign the application for registration if you are an individual, a sole proprietor, or a partner of a partnership. In all other cases, the signee must enclose a document indicating that the signee is authorized to sign on behalf of the individual or partnership.

In the case of a corporation or other entity, the application for registration may be signed by the president, a vice-president, the secretary or the treasurer, or by any other signee duly authorized by the board of directors (in the latter case, enclose a copy of the board’s resolution to that effect).

Revenu Québec expects the signee to be able to answer questions concerning the identification of your business, its registration for various files or the processing of your application for registration.

F3 Documents enclosed

This section lists the documents that you may be required to enclose with the application for registration. Check the boxes corresponding to the documents that are enclosed.

Information about the GST/HST and the QST

Principal definitions

Associate: A person (other than a corporation) is an **associate of a corporation** if the corporation is controlled by that person, alone or with a group of associated persons of which that person is a member.

A person is an **associate of a partnership** if the total of the shares of the partnership's profits to which that person and the person's associates are entitled is more than half of the total profits of the partnership, or would be if the partnership had profits.

A person is an **associate of a trust** if the value of the interests in the trust of that person and of any other person associated with that person is more than half of the total value of all interests in the trust.

A person is an **associate of another person** if each of them is associated with the same third person.

The term "associate" also applies to a corporation associated with another corporation. Various rules arising from the *Taxation Act* are used to determine whether corporations are associated with one another. Contact Revenu Québec to determine how such a situation might affect your registration.

Commercial activity: Any activity carried on to make taxable or zero-rated sales. More specifically, a commercial activity is

- a business carried on by a person (other than a business carried on without a reasonable expectation of profit by an individual, by a personal trust or by a partnership all of whose members are individuals) except to the extent that the business involves the making of exempt sales by the person;
- an adventure or concern in the nature of trade (other than an adventure or concern carried on without a reasonable expectation of profit by an individual, by a personal trust or by a partnership all of whose members are individuals) except to the extent that the adventure or concern involves the making of exempt sales;

- an activity whereby an immovable (referred to as "real property" under the GST/HST system) owned by a person is sold by the person otherwise than as an exempt sale, including activities engaged in by the person in relation to the making of the sale.

Consideration: That which is given in exchange for the supply of property or a service. The value of the consideration corresponds to a given sum of money or, if the consideration is in a form other than money, to the fair market value of the consideration. The QST is not included in the consideration for the purpose of calculating the GST/HST; however, the GST/HST is included in the consideration for the purpose of calculating the QST.

Exempt supply: A supply that is not subject to the GST/HST or the QST. Neither GST/HST nor QST is collected on exempt property or services supplied to customers. However, GST/HST or QST paid on property and services acquired to make exempt supplies cannot be recovered since you are not considered to be engaged in a commercial activity in respect of such supplies.

The following are examples of exempt supplies under the GST/HST and the QST systems:

- rent paid under residential leases that cover at least one month
- dwellings and residential complexes that are not new at the time of sale
- most child-care services

The following are exempt from GST/HST and QST only under certain circumstances:

- certain dental and health-care services
- certain educational services
- certain services provided by public sector bodies (governments, municipalities, school authorities, hospital authorities, public colleges, universities, non-profit organizations and registered charities)

Most financial services are exempt under the GST/HST system (but are zero-rated under the QST system).

Property: Referred to as “goods” under the GST/HST system, any movable or immovable property, whether tangible or intangible, as well as any right, share or stock, but not money.

Sale: Refer to the definition of “supply”, which is the term used in the relevant legislation. In this guide, the term “sale” is used in preference to “supply”, as this is the most common type of supply.

Service: Anything that is supplied and that is not property or money. The term “service” also excludes anything that is supplied to an employer by a person who is, or agrees to become, the employer’s employee, with respect to the person’s office or employment.

Supply: The provision of property or a service in any manner whatsoever, including by way of sale, barter, exchange, transfer, licence, lease, gift, or disposition. Three types of supplies—taxable, zero-rated, and exempt—exist under both the GST/HST system and the QST system. In this guide, the term “sale” is used in preference to “supply”, as this is the most common type of supply.

Taxable supply: A supply that is subject to the GST/HST and the QST. If the property or services supplied are not zero-rated (that is, taxable at the rate of 0%) or exempt, the GST/HST and the QST must be applied. If you are registered for the GST/HST or the QST, you may, in most cases, recover the taxes paid on property and services acquired to make taxable supplies since these purchases are related to your commercial activities.

Worldwide sales: Sales made in Canada, as well as sales made outside Canada that would be subject to the GST/HST if they were made in Canada.

Zero-rated supply: A supply that is taxable at 0%. Neither the GST/HST nor the QST is collected on zero-rated property and services supplied to customers. If you are registered for the GST/HST or the QST, you may, in most cases, recover the taxes paid on property and services acquired to make zero-rated supplies since these purchases are related to your commercial activities.

The following are examples of zero-rated supplies under the GST/HST and the QST systems:

- basic groceries
- prescription drugs and most medical devices
- most agricultural and fishing products
- certain passenger and freight transport services
- certain property and services exported outside Canada (under the GST/HST system) or shipped outside Québec (under the QST system)

Most financial services are zero-rated under the QST system (but are exempt under the GST/HST system).

GST/HST rules

Under the GST/HST system, most goods and services supplied in Canada are taxable. This is true, for instance, of restaurant meals and haircuts. However, the sale of certain goods and services is zero-rated or exempt.

The GST/HST is generally collected at each stage in the production and marketing of goods or services. However, if you are registered for the GST/HST, you may, in most cases, claim an input tax credit (ITC) respecting the GST/HST paid or payable on purchases of goods or services made for consumption, use or sale in the course of your commercial activities. The amount of your ITCs (that is, the GST/HST paid or payable on purchases made in the course of your commercial activities) is calculated on your GST/HST return and is subtracted from the GST/HST you collected or should have collected, as reported on your return.

If you make taxable or zero-rated sales in the course of your commercial activities, you are generally required to register for the GST/HST. However, you are not obliged to do so if you are considered a small supplier, that is, if your and your associates’ total taxable and zero-rated sales (worldwide) do not exceed \$30,000 (or \$50,000 if you are a public service body) for four consecutive calendar quarters. Special small-supplier rules apply to public institutions and charities (refer to pages 23 and 24).

If you make sales in New Brunswick, Newfoundland and Labrador and Nova Scotia, you must take the HST rules into account.

QST rules

Most property and services supplied in Québec are subject to 7.5% QST. The QST and the GST/HST generally apply to the same property and services. The QST is calculated on the consideration given (GST included).

Like the GST/HST system, the QST system includes taxable, zero-rated and exempt sales.

A registrant business may, in most cases, claim an input tax refund (ITR) respecting the taxable property and services it acquires for consumption, use or sale in the course of its commercial activities. The amount of ITRs (that is, the QST paid or payable on purchases made in the course of the business's commercial activities) is calculated on the QST return and is subtracted from the QST that the business collected or should have collected, as reported on its return.

If you make taxable or zero-rated sales in the course of your commercial activities, you are generally required to register for the QST. You are not obliged to register in the following circumstances:

- Your total taxable and zero-rated sales made worldwide by you and your associates do not exceed \$30,000 (or \$50,000 if you are a public service body) for four consecutive calendar quarters. In this case, you are considered a small supplier. Special small-supplier rules apply to charities and public institutions (municipalities, school authorities, hospital authorities, public colleges and universities) (refer to pages 23 and 24);
- You do not carry on one of the activities specifically requiring you to register for the QST (refer to page 15).
- You are not registered for the GST/HST.

Financial institutions

Financial institutions (unless they are considered small suppliers) are required to register for the QST, but not for the GST/HST. This is because, for QST purposes, the supply of financial services is zero-rated rather than exempt.

However, the *Excise Tax Act* allows listed financial institutions resident in Canada to file an application for GST/HST registration, even if they do not make taxable or zero-rated supplies and regardless of their total annual revenue from supplies. A listed financial institution may wish to register in order to elect to have all taxable supplies of goods (by way of lease, licence or a similar arrangement) or services made between itself and a closely related corporation treated as exempt supplies.

In calculating your total annual revenue from taxable supplies, you must include the taxable and zero-rated supplies made by you and your associates in Québec and elsewhere in the four previous calendar quarters. Do not include sales of capital property or of goodwill, exempt supplies, or taxes collected or collectible.

The *Excise Tax Act* also permits the registration of a corporation that is resident in Canada and owns shares of the capital stock or holds indebtedness of a corporation to which it is related. As well, the Act allows for the registration of any corporation resident in Canada that acquires or intends to acquire from another corporation all or substantially all (90%) of the other corporation's shares with full voting rights. In both cases, all or substantially all of the property of the other corporation must be property that was acquired or imported exclusively for use in the course of the corporation's commercial activities. Holding companies that register for the GST/HST may claim input tax credits (ITCs) with respect to certain goods and services.

Revenu Québec assigns you an annual GST/HST reporting period, regardless of your total annual revenue from GST/HST-taxable supplies. Nevertheless, you may elect to file quarterly returns, if your annual revenue from supplies is less than \$6 million, or monthly returns, regardless of your total revenue from supplies. You may choose a QST reporting period that is different from your GST/HST reporting period, given that you may generally claim input tax refunds (ITRs) with respect to purchases made in the course of your activities.

Small suppliers

If your total taxable sales made worldwide by you and your associates did not exceed \$30,000 in the four consecutive calendar quarters immediately preceding a particular quarter, you are considered a small supplier throughout the particular calendar quarter and the first month following that quarter. The threshold amount is \$50,000 for public service bodies (that is, non-profit organizations, charities, municipalities, school authorities, hospital authorities, public colleges and universities).

The GST/HST and the QST collectible, as well as the GST/HST and the QST that relate to the sale of capital property or of the goodwill of a business, must not be included in a person's total sales. However, taxable and zero-rated sales (other than sales of financial services, under the GST/HST system) made worldwide by the person or the person's associates must be included in this amount.

A public institution or a charity is considered to be a small supplier if

- it is in its first fiscal year;
- it is in its second fiscal year and its gross revenue did not exceed \$250,000 in the first fiscal year;
- it is in a fiscal year other than its first or second fiscal year and its gross revenue did not exceed \$250,000 during either of the previous two fiscal years; or
- it corresponds to the general definition of "small supplier", as explained above.

You cease to be considered a small supplier on the day on which you make your first taxable sale after the first month following the period during which the threshold amount (\$30,000 or \$50,000, as applicable) is reached. In order to determine whether you have reached the threshold amount, you must total all your taxable and zero-rated sales made during the four consecutive calendar quarters preceding a particular quarter. Note that if you reach the threshold amount on the basis of your sales during a single calendar

quarter, the end-date of small-supplier status will be earlier; in this case, you must be registered just before the sale that puts you over the threshold amount. (The calculation of taxable and zero-rated sales may involve two calendar years, since it is based on four consecutive calendar quarters and not on the four quarters of a given calendar year.)

Special small-supplier rules apply to public institutions and charities (refer to the preceding paragraph).

Example 1

Harold is a self-employed worker whose total taxable sales exceed the \$30,000 threshold in the first calendar quarter of his activities. He is therefore required to be registered just before his total taxable sales exceed \$30,000. Tax must be collected and remitted on the sale that puts him over the threshold amount within the calendar quarter.

Example 2

According to George's calculations, his total revenue from taxable sales made during the quarters of January-March 2004, April-June 2004, July-September 2004 and October-December 2004 exceeds \$30,000. He is therefore required to be registered as of the day on which he makes his first taxable sale after January 31, 2005.

Example 3

Michelle is a self-employed worker who made her first taxable sales late in 2004. She continues her commercial activities in 2005. The following is the quarterly breakdown of her total taxable sales over the two years.

2004	First quarter:	\$0
	Second quarter:	\$0
	Third quarter:	\$10,000
	Fourth quarter:	\$15,000
2005	First quarter:	\$8,000
	Second quarter:	\$11,000
	Third quarter:	\$7,500
	Fourth quarter:	\$8,200

Michelle's total revenue from taxable sales does not reach the \$30,000 threshold when only 2004 is taken into account. However, the calculation to determine whether the threshold has been exceeded should be made not only at the end of a calendar year, but also at the end of each quarter, and it should include, each time, the calendar quarter just ended and the three previous calendar quarters.

In this example, the total taxable sales exceed the \$30,000 threshold during the first quarter of 2005. (The total taxable sales during the second, third and fourth quarters of 2004, and the first quarter of 2005, amounts to \$33,000 after the end of the first quarter of 2005.)

Michelle could therefore be considered a small supplier throughout the first quarter of 2005 and during April 2005, the month following this quarter, but she is required to be registered at the time she makes her first taxable sale after April 30, 2005. If she makes her first taxable sale on May 2, 2005, for example, she is required to be registered as of May 2, 2005.

Information about fuel and tobacco

Certain businesses may be subject to different requirements from those outlined in the preceding sections. This section of the guide will enable you to determine if your activities require you to register for other files administered by Revenu Québec.

Fuel

You are subject to the *Fuel Tax Act* if, in Québec, you store, transport, wholesale, deliver, colour, import or refine fuel, or blend fuel for the purpose of resale. As a rule, persons that carry on any of these activities must hold a QST registration certificate, as well as a permit for each activity carried on (excluding businesses that work solely in the propane gas or natural gas sector).

Complete the *Permit Application* (form CA-27.1-V) to register with respect to the *Fuel Tax Act* and obtain the specific permit required for your activity.

Your registration certificate **must be posted** in plain view at your principal place of business. A copy must be posted at each of your other establishments.

The principal fuels are crude oil, bunker fuel, gasoline, coloured fuel oil, non-coloured fuel oil and aviation fuel.

The Minister may require security as a condition for the issue or continuance in force of a permit. If you are a fuel retailer, refer to page 12. For further information concerning the application of the *Fuel Tax Act*, refer to the brochure *An Overview of the Fuel Tax Act* (IN-222-V).

Tobacco

You are subject to the *Tobacco Tax Act* if, in Québec, you wholesale tobacco, transport or store unidentified tobacco, manufacture tobacco, or import tobacco that you sell or deliver in Québec. As a rule, persons that carry on any of these activities must hold a QST registration certificate and, in all cases, a permit for each activity carried on.

Complete the *Permit Application* (form TA-6.1-V) to register with respect to the *Tobacco Tax Act* and obtain the specific permit required for your activity.

Your registration certificate **must be posted** in plain view at your principal place of business. A copy must be posted at each of your other establishments.

The Minister may require security as a condition for the issue or continuance in force of a permit.

If you are a tobacco retailer, refer to page 11. For further information concerning the application of the *Tobacco Tax Act*, refer to the brochure *An Overview of the Tobacco Tax Act* (IN-219-V).

What happens once your application is filed?

Revenu Québec will process your application for registration and may respond in one or more of the following ways, depending on the file or files for which you are registering:

- If you checked the box in section C2 concerning insurance premiums, you will receive a registration certificate with respect to the tax on insurance premiums.
- If you checked the box in section C2 concerning logging operations, we will contact you for further information.
- If you completed section D1 in order to register for the GST/HST, we will send you a letter informing you of your GST/HST registration number, as well as the brochure *General Information Concerning the QST and the GST/HST (IN-203-V)*.
- If you completed section D1 in order to register for the QST, we will send you a registration certificate with your QST registration number, as well as the brochure *General Information Concerning the QST and the GST/HST (IN-203-V)*.
- If you completed section E because you pay salaries or wages, we will send you a letter informing you of your identification and file numbers.

Subsequently, you will receive various documents that will enable you to meet your fiscal obligations.

Other forms relating to registration

To register for the GST/HST and the QST, you must complete section D of the *Application for Registration* (form LM-1-V). However, both the GST/HST and the QST systems provide for certain elections or applications that can be made at the time of registration or afterward. The prescribed forms to be used are explained below.

You may obtain any of these forms by visiting our Web site at www.revenu.gouv.qc.ca or by contacting Revenu Québec (refer to the list of offices at the end of this guide).

Power of Attorney, Authorization to Communicate Information, or Revocation (form MR-69-V)

Use this form to authorize Revenu Québec to transmit confidential information concerning you to a designated third party.

Permit Application (forms CA-27.1-V and TA-6.1-V)

If you operate in Québec as a collection officer, importer, manufacturer, storer of unidentified tobacco or carrier of unidentified tobacco (as these terms are defined in the *Tobacco Tax Act*), you are required to hold a permit for each of these activities and must apply for a permit using the *Permit Application* (form TA-6.1-V). **In most cases**, you must also obtain a QST registration certificate by filing the *Application for Registration* (form LM-1-V).

If you operate in Québec as a collection officer, importer, refiner, bulk-fuel storer (excluding service-station operators) or bulk-fuel carrier, or if you colour fuel oil in Québec, you are required to obtain a permit under the *Fuel Tax Act*. As well, if you blend taxable fuel with a non-taxable petroleum product for the purpose of resale, you must hold a permit for this activity (unless you hold a refiner's permit). You must apply for a permit using the *Permit Application* (form CA-27.1-V). **In most cases**, you must also obtain a QST registration certificate by filing the *Application for Registration* (form LM-1-V).

If you do not reside or have a place of business in Québec, you must designate an agent in Québec to represent you.

Application for a Licence and Decals (form CA-500-V)

You must hold an IFTA licence if you are an interjurisdictional carrier based in a province (such as Québec) or a state that is a signatory to the International Fuel Tax Agreement (IFTA) and you operate a qualified motor vehicle that is used, designed or maintained for the purpose of transporting passengers or freight (and that is not used exclusively for recreational purposes).

A “qualified motor vehicle” is a vehicle that

- has two axles and a gross weight (or registered gross weight) of more than 11,797 kg (26,000 lb.);
- has three or more axles, regardless of its weight; or
- is used in combination with another vehicle, resulting in a gross weight (or registered gross weight) of more than 11,797 kg (26,000 lb.).

You must obtain your IFTA licence from your base jurisdiction. If you are an interjurisdictional carrier based in Québec and you operate one or more qualified motor vehicles registered in Québec, you must apply for the IFTA licence and decals by filing the *Application for a Licence and Decals* (form CA-500-V) with Revenu Québec.

Update of Information on Establishments Related to the Fuel or Tobacco Sector (form LM-4-V)

Registrants must inform Revenu Québec of any changes in their situation that render inaccurate or incomplete the information provided on the *Application for Registration* (form LM-1-V) or a permit application respecting fuel or tobacco (CA-27.1-V and TA-6.1-V, respectively). Registrants must also inform the Minister of any event that affects the activities for which permits were issued under the *Fuel Tax Act* and the *Tobacco Tax Act*. Use form LM-4-V to inform Revenu Québec of these changes.

Application to File Separate Returns, Request to File Separate Rebate Applications, Revocation of Application or Request (form FP-2010-V)

As a rule, registrants are obliged to file no more than one GST/HST or QST return for all commercial activities carried on in a given reporting period. However, some registrants may have a branch or division for which they prefer to file a separate return. Registrants may generally make the election to file separate returns if the following conditions are met:

- The branch or division concerned is identifiable as a separate entity by its location or by the nature of its activities.
- The branch or division concerned maintains separate registers, books of account, and accounting systems.

To apply to file separate returns or to revoke such an application, you must file the *Application to File Separate Returns, Request to File Separate Rebate Applications, Revocation of Application or Request* (form FP-2010-V).

Election Respecting the GST/HST and QST Reporting Period (form FP-620-V)

If you wish to modify the reporting period that was assigned to you by Revenu Québec or that you elected at the time of your registration, complete the *Election Respecting the GST/HST and QST Reporting Period* (form FP-620-V).

Your QST reporting period will be adjusted to coincide with the GST/HST reporting period that is assigned to you by Revenu Québec or that you elected. Only listed financial institutions and businesses carrying on activities in the clothing industry may have different reporting periods under the GST/HST and QST systems. Note that you may not make an election to modify your QST reporting period if you carry on activities in the clothing industry.

Election or Revocation of an Election Respecting a GST/HST and QST Fiscal Year (form FP-670-V)

All registrants must have a fiscal year for GST/HST and QST purposes.

Registrants whose taxation year does not correspond to the calendar year may elect to have their GST/HST and QST fiscal year coincide with the calendar year. The change takes effect on the first day of the calendar year. Furthermore, eligible individuals and partnerships may elect to have their GST/HST and QST fiscal year coincide with their fiscal period for income tax purposes. The change takes effect on the first day of the fiscal year.

The election respecting the fiscal year remains in effect for a minimum of one year, and is valid until revoked.

You must file the *Election or Revocation of an Election Respecting a GST/HST and QST Fiscal Year* (form FP-670-V) to make such an election or revocation.

Notification of Fiscal Quarters and Fiscal Months and Application for Approval to Extend or Shorten Fiscal Months (form FP-671-V)

If the last day of the fiscal months or quarters of registrants under the GST/HST and QST systems does not correspond to the last day of the calendar months or quarters must so notify the Minister by filing the *Notification of Fiscal Quarters and Fiscal Months and Application for Approval to Extend or Shorten Fiscal Months* (form FP-671-V). The form must also be used by registrants that wish to lengthen or shorten their fiscal months otherwise than as provided for by law.

With respect to fiscal months, the law provides that

- the first month in each fiscal quarter must begin on the first day of the fiscal quarter;
- the last month in each fiscal quarter must end on the last day of the fiscal quarter;
- a fiscal month cannot be more than 35 days in length;
- each fiscal month, except the first and last months of a fiscal quarter, must be at least 28 days in length.

Example 1

A business decides that each of its fiscal months will be four weeks in length, for a total of 13 fiscal months, each of which is 28 days long.

There is no rule stipulating that a fiscal year may not be comprised of more than 12 fiscal months. Revenu Québec may accept one fiscal month per fiscal quarter that is longer than 35 days, or one fiscal month per fiscal quarter (other than the first and last months of the quarter) that is shorter than 28 days, provided the registrant is able to justify the request.

With respect to fiscal quarters, the law provides that

- a fiscal year can comprise no more than four fiscal quarters;
- the first and last fiscal quarters must begin and end respectively on the first and last days of the fiscal year;
- a quarter cannot be more than 119 days in length;
- a quarter, except the first and last quarters, must be at least 84 days in length.

Example 2

A registrant whose fiscal year corresponds to the calendar year has the following fiscal quarters:

First quarter:	January 1 to March 24 (83 days)
Second quarter:	March 25 to June 23 (91 days)
Third quarter:	June 24 to September 22 (91 days)
Fourth quarter:	September 23 to December 31 (100 days)

Alternatively, the business could have elected to have three fiscal quarters each lasting 84 days and one fiscal quarter lasting 113 days.

Election Respecting the Quick Method of Accounting for Small Businesses (form FP-2074-V)

Under the GST/HST and the QST systems, small businesses may use the Quick Method of Accounting if their total annual taxable sales (worldwide), including those of their associates, do not exceed \$200,000 (GST/HST included) for the purposes of the GST/HST, and \$215,000 (GST/HST and QST included) for the purposes of the QST. Amounts relating to the sale of capital real property (“immovable property” under the QST system), capital assets or eligible capital property (as defined by the *Income Tax Act*), or to the sale of financial services or of the goodwill of a business are not to be taken into account in the calculation of the total annual taxable sales of small businesses.

Qualifying businesses may use the Quick Method as a shortcut for calculating the amount of GST/HST and QST to be remitted. Rather than calculating the amount to be remitted by subtracting input tax credits (ITCs) and input tax refunds (ITRs) from the tax collected, you merely have to multiply your total taxable sales by the prescribed rate. Different rates have been established based on businesses’ general expenditures. Note that if you use the Quick Method, you may not claim ITCs and ITRs in respect of goods and services (other than capital assets).

As a rule, you must use one rate for the GST/HST and a different rate for the QST. The rates to use are determined by the type of activities you carry on. However, if you make sales or have a permanent establishment in one of the provinces in which the HST applies, you may have to use more than one rate for the GST/HST.

If you elect to use the Quick Method of Accounting, you must file the *Election Respecting the Quick Method of Accounting for Small Businesses* (form FP-2074-V).

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Inquiries from outside Canada should be directed to the Sainte-Foy office.

We invite you to visit our Web site at www.revenu.gouv.qc.ca.