

Tax Rebate for Foreign Representations



Introduction

The goods and services tax (GST) and the Québec sales tax (QST) are applicable to most property and services. The majority of transactions conducted in Canada are subject to GST at the rate of 5%.¹ Transactions conducted in Québec are subject not only to 5% GST, but also to 7.5% QST and, in certain cases, to other taxes such as the specific tax on alcoholic beverages and the fuel tax. Certain goods, such as basic groceries and prescription drugs, are zero-rated (that is, they are subject to GST and QST at the tax rate of 0%). A small number of goods and services, such as health services and the rental of a dwelling, are exempt and are therefore not subject to GST and QST.

In general, persons who make sales of taxable property or services are required to bill and collect the taxes. They must also bill the taxes on sales to diplomatic missions, consular posts and international organizations recognized by an agreement or understanding, as well as to foreign representatives or officials working for such entities.

Persons who hold an identity card proving their status are still required to pay the taxes. However, they are entitled to a tax rebate if they submit the required proof.

The Québec and federal governments have agreed to harmonize the rules and procedures applicable to the GST and QST rebate for foreign representations. Revenu Québec administers the rebate on its territory.

Entitlement to the rebate

Diplomatic missions, consular posts and international organizations recognized by an agreement or understanding with the Québec government (or the government of Canada, in the case of the GST) are entitled to a rebate of the taxes paid on property and services acquired for official use. For example, a rebate of the taxes paid on real property (an immovable) will be granted where the immovable is used for consular or diplomatic purposes.

Diplomatic officers and members of the administrative and technical staff of a diplomatic mission, consular officials and employees, officials of an international organization recognized by an agreement or understanding, as well as the spouses and, as a rule, the family of any of these persons are usually entitled to a rebate of the taxes paid on property and services acquired for their personal use.

Barring a few exceptions (see the next section), the following taxes and duties give entitlement to the rebate:

- the GST
- the QST
- the fuel tax
- the specific tax on alcoholic beverages
- the tax on lodging
- the tax on insurance premiums
- the tobacco tax
- the specific duty on new tires

1. Before January 1, 2008, the rate was 6%.

Exceptions

Members of diplomatic and consular corps, as well as non-Canadian officials of certain international organizations, may purchase tobacco products without paying the tobacco tax, but only from the following distributors: Meritrad, Phœnicia Diplomatiques and Beler Holdings. Tobacco products purchased from other sources **do not qualify** for the rebate.

Diplomatic, consular and other representatives can also purchase alcoholic beverages from the following outlets of the Société des alcools du Québec (SAQ) without paying either the QST or the specific tax on alcoholic beverages:

For purchases by the case

Centre de distribution spécialisé

1947, rue des Futailles
Montréal (Québec) H1N 3P1
Telephone: 514 254-6000 (ext. 5899)
or 1 800 311-2643
Fax: 514 873-4104

Succursale Einstein

Service restauration et hôtellerie
2900, rue Einstein
Québec (Québec) G1X 4B3
Telephone: 418 654-3434 (ext. 6176)
Fax: 418 644-2838

Succursale SAQ Sélection

31, boulevard du Plateau
Gatineau (Québec) J9A 3G1
Telephone: 819 772-9582
Fax: 514 873-4104

For purchases by the bottle

Succursale SAQ Sélection

440, boulevard De Maisonneuve Ouest
Montréal (Québec) H3A 1L2
Telephone: 514 873-2274
Fax: 514 873-2319

Succursale SAQ Sélection

Place Jean-Lesage
400, boulevard Jean-Lesage
Québec (Québec) G1K 8W1
Telephone: 418 643-4339
Fax: 418 523-5138

Succursale SAQ Sélection

31, boulevard du Plateau
Gatineau (Québec) J9A 3G1
Telephone: 819 772-9582
Fax: 514 873-4104

The Service de la correspondance officielle, des privilèges et des immunités (Le Protocole) of the Ministère des Relations internationales issues an order form for this purpose. The form must be signed by an authorized representative and bear the foreign representation's seal. The form must be given to the manager of one of the above-mentioned outlets at the time the purchase is made. If foreign representatives or officials purchase alcoholic beverages elsewhere, they must pay the applicable taxes, but are **entitled** to a rebate of the taxes paid.

Canadian citizens or permanent residents employed by any of the foreign representations previously mentioned **may not** apply for a rebate of the taxes paid on property and services acquired for personal use. The same holds true for Canadian citizens posted abroad who return to Canada for a visit.

Foreign representatives and officials are **not entitled** to a rebate of the GST and QST paid on the purchase of an immovable acquired for their personal use.



Deadline for rebate applications

You have two years from the date you pay the taxes to apply for a rebate. You may submit only one rebate application per calendar month.

For instalment purchases,¹ rebate applications must be submitted as and when payments are made (proof of payment must be indicated on a supporting document).


Supporting documents required

For entitlement to the rebate

Foreign representations must provide the Service de la correspondance officielle, des privilèges et des immunités (Le Protocole) with a list of persons entitled to a tax rebate and keep the list up to date. For the GST, accreditation must be obtained from Foreign Affairs and International Trade Canada.

In general, foreign representatives and officials are entitled to a tax rebate from the date they officially assume their post until the time they leave it.

For the rebate application



Revenu Québec will assign you an identification number when it processes your first application for a rebate of the QST or other Québec taxes. Be sure to indicate your identification number on all subsequent applications if you do not use the pre-addressed application form.

You must enclose the originals of the invoices² with your application. The invoices will be returned to you. The following information must be provided:

- the supplier's name, corporate name or GST and QST account number;
- the invoice number, if applicable;
- the date of the invoice;
- the total amount paid;
- a statement indicating the property and services on which the GST and QST were collected;
- the total amount of GST and QST paid or a statement indicating that the taxes are included in the price; and
- the purchaser's name, if the value of the property or the services acquired exceeds \$500 (excluding GST and QST).

1. Where payments are spread out over a certain period and where the seller reserves ownership of the property until it is fully paid for.

2. Under certain circumstances, Revenu Québec may accept photocopies submitted by diplomatic missions, consular posts and international organizations, provided they bear the official seal of the entity and the initials of an authorized representative.

Time required to process your rebate application

Upon receipt of your rebate application, an acknowledgment of receipt will be sent to you. Your invoices will be returned separately once they have been processed, along with any necessary explanations. Your rebate cheques will be sent later. In all, you should allow 8 to 10 weeks to obtain your rebate. If you have any questions, call the telephone number indicated in the document accompanying the invoices when they are returned to you.

Forms to be completed

To apply for a rebate of the QST or other Québec taxes, you must complete form LMZ-120-V, *Application for Rebate of Taxes and Duties (for Use by Diplomatic Missions, Consular Posts or International Organizations, or by Members Thereof)*.

To apply for the GST rebate, you must complete form FP-498-V, *GST/HST Rebate Application for a Foreign Representative, Diplomatic Mission, Consular Post, International Organization or Visiting Force Unit*.

Carefully read these forms as they contain tables to assist you in calculating taxes. Most taxes (such as the GST and QST) are usually indicated separately on the invoice. Although other taxes (such as the fuel tax and the specific tax on alcoholic beverages) are included in the selling price, they also give entitlement to the rebate.

If your GST and QST rebate applications pertain to the same property or services, you must submit the two forms together, along with the required supporting documents. Be sure to submit all your applications for a given period on the same form. Note that GST rebates may be limited by certain reciprocal agreements between Canada and other countries.

To expedite processing of your applications, please arrange your invoices in chronological order and enter (in the same order) the required information from the invoices on the table(s) of form LMZ-120-V or form FP-498. If you prepare your own table, please use the format of the one in form LMZ-120-V or form FP-498-V as a guide.

Send your rebate application to the following address:

Service de la correspondance officielle, des privilèges et des immunités
(Le Protocole)
Ministère des Relations internationales
Édifice Hector-Fabre, 1^{er} étage
525, boulevard René-Lévesque Est
Québec (Québec) G1R 5R9

This publication was prepared by the Direction des communications of Revenu Québec in collaboration with the Service de la correspondance officielle, des privilèges et des immunités (Le Protocole). It is provided for information purposes only, and does not constitute a legal interpretation of the *Excise Tax Act*, the *Act respecting the Québec sales tax* or any other legislation.

To contact us



By Internet

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



By telephone

Hours of availability for telephone service

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Information concerning individuals and individuals in business

Québec City area	Montréal area	Elsewhere (toll-free)
418 659-6299	514 864-6299	1 800 267-6299

Information concerning businesses, employers and consumption taxes

Québec City area	Montréal area	Elsewhere (toll-free)
418 659-4692	514 873-4692	1 800 567-4692

Information service for persons with a hearing impairment

Montréal area	Elsewhere (toll-free)
514 873-4455	1 800 361-3795



By mail

Individuals and individuals in business

Montréal, Laval, Laurentides, Lanaudière
and Montérégie

Direction principale des services à la clientèle
des particuliers
Revenu Québec
Complexe Desjardins
C. P. 3000, succursale Desjardins
Montréal (Québec) H5B 1A4

Québec City and other areas

Direction principale des services à la
clientèle des particuliers
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Businesses, employers and consumption taxes

Montréal, Laval, Laurentides, Lanaudière,
Montérégie, Estrie and Outaouais

Direction principale des services à la clientèle
des entreprises
Revenu Québec
Complexe Desjardins
C. P. 3000, succursale Desjardins
Montréal (Québec) H5B 1A4

Québec City and other areas

Direction principale des services à la
clientèle des entreprises
Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

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Cette publication est également disponible en français et s'intitule *Remboursement de taxes pour les représentations étrangères* (IN-249).