



# HST - Preparedness Checklist for Island Businesses

With the harmonized sales tax (HST) implementation date now only a short while away, businesses are encouraged to plan ahead and allocate sufficient lead time to make any changes to their accounting systems, point-of-sale systems, and other systems that may be necessary to accommodate the HST. Although the HST implementation date is April 1, 2013, the HST may apply to some payments that become due or are paid on or after February 1, 2013.

## *Here are some things businesses may want to consider when preparing for the HST:*

- Determine whether your supplies will be subject to the HST. You may be required to charge HST on goods and services that were not subject to revenue tax.
- Review the transitional rules to determine whether the HST will apply to any payments that become due or are paid on or after February 1, 2013, for your supplies. Also, determine whether you will have to self-assess the 9% provincial part of the HST on any payments that become due or are paid after November 8, 2012, and before February 2013 for your purchases.
- Update your point-of-sale systems (e.g. cash registers), computer systems, manual accounting or invoicing systems, etc. in order to properly charge and account for the HST on your supplies. Examples of these updates could include:
  - amending software and tax codes to accommodate the various tax rates;
  - amending automated system-generated entries to reflect the correct tax amount;
  - ensuring software and systems can accommodate PEI's point-of-sale rebates; or
  - modifying systems to track the federal and provincial components of the HST, if necessary.
- Ensure your accounting systems can properly record and account for any eligible input tax credits on your purchases, and properly report any recaptured input tax credits, if necessary.
  - Update tables/codes for accounts payable systems that automatically record input tax credits based on embedded taxes.
- Ensure your accounting systems can properly record and account for the HST that may apply to any payments that become due or are paid on or after February 1, 2013. Generally, if the HST applies to any such payments, the 9% provincial part of the HST on both your supplies and purchases will have to be reported or claimed, as the case may be, in your GST/HST return that includes April 1, 2013.
  - Ensure your accounting system is able to account for both GST/PST and HST on the same invoice, if necessary.
- Modify pre-printed lists or internet web sites containing sales tax information.
  - Ensure your invoices properly state whether HST is applicable, the HST rate, your GST/HST registration number, and all other information required by the Excise Tax Act and the Input Tax Credit Information (GST/HST) Regulations.
- Take steps to ensure that you stop collecting revenue tax on April 1, 2013, and that the final returns are prepared and submitted by April 20, 2013. Make sure:
  - any PST paid or payable after March 31, 2013, is remitted on a supplemental tax return; and
  - all supplemental returns are filed no later than August 20, 2013.

For more information about the HST on Prince Edward Island, contact *Canada Revenue Agency* at **1 800-959-5525** or log onto **[www.peihst.ca](http://www.peihst.ca)**



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