



March, 2018

Note to PCA members re change to basis for federal sales tax (GST/HST) rate applied to EHF's

Prior to 2018, the federal sales tax (GST/HST) rates applied to EHF's when reported/paid to PCA by a member have been based on the province of the program.

PCA received the advice of a tax expert and subsequently a ruling from Revenue Canada to the effect that the Canadian federal sales tax (GST/HST) rate that applies to reported EHF's should be the GST/HST rate of the province of the head office or contracting office address of the member, not the province of the program for which the EHF's are being reported.

This change took effect in January, 2018 when the upgraded EHF reporting system was launched.

For example, if your head office is located in Ontario, and you are submitting an EHF report for one of PCA's British Columbia programs, the updated reporting system will use the Ontario HST rate of 13%, and not the BC GST rate of 5%. In fact, in this case, the same Ontario HST rate would apply to all EHF reports for all PCA programs. For any US based PCA members without a head office address in Canada PCA has determined which provincial GST/HST rate to use based on the province which is predominant in the member's past sales reports.

Accordingly, it is important that your correct head office address is recorded in the PCA fee reporting system. To change or update your company address, please log in at EHFreporting.com and go to My Account > Company Info. All future EHF reports will be subject to the GST/HST rate for the province of the updated head office address.

Note that this change relates only to the federal sales tax (GST/HST) applicable to the business transaction which is the reporting/payment of fees by members to PCA for the recycling program services supplied by PCA to the member. Each member must determine what federal sales tax rates apply on the supply of the actual products to their customers. PCA does not provide tax advice to members and recommends that any member requiring additional information with regard to this matter should contact their own tax advisor.

For more information see <https://www.productcare.org/important-updates-pcas-ehf-reporting-system/> and for additional questions, or to request a copy of the ruling from Revenue Canada, please [contact us](#).