

Overview

Harmonized Sales Tax took effect in Ontario and British Columbia on July 1, 2010 replacing the existing Provincial Sales Tax (PST) and combining it with the federal Goods and Services Tax (GST). The HST is basically the GST with the provincial component added to arrive at 13% in Ontario and 12% in British Columbia.

For the most part, HST will be charged on anything for which GST was previously charged. However, there are some products that are sold with a point of sale rebate of the provincial portion of the HST.

Modifications have been made within Visual Streamline to reduce the HST automatically for such items. Users will, of course, have the ability to manually waive and/or issue HST rebates as required.

There are no special GL Accounts to track the HST Rebates. The rebated HST is posted in the same way as HST.

NOTE: All functionality described in this document is controlled by Business Rule SO131 (Allow HST Rebates). If this business rule is turned ON then subsequently turned OFF, billable support time may be necessary to correct data for items already entered while the rule was on.

Detailed Analysis – Provinces and States

Not all provinces are subject to HST.
And, not all provinces that are subject to HST had the same PST rate.
Further, items that are eligible for HST rebates in one province may not be eligible in another.
For these reasons, there is some setup required in the Provinces and States code tables in order for the Point of Sale HST rebates to be automatic.

The modifications in Provinces and States Maintenance are described in detail below.

Figure-1

HST Rebate (%):
This field contains the rate by which the HST will be reduced for items deemed eligible for HST Point of Sale Rebates. Typically, this rate is the previous PST rate.

Rebate Products:
This button launches a routine that allows the user to identify products or product lines that are eligible for HST Point of Sale Rebates. See Figure-2.

NOTE:
These fields are only enabled when the Harmonized Tax checkbox is checked.

Figure-2

Product Line	Product Code
SMW	22693-01
SMW	22693-02
SMW	22693-03
SMW2	

This is the program that is launched by the Rebate Products button within Province/State Code Maintenance.
This table identifies products or product lines that are eligible for HST Point of Sale Rebates.

NOTE:
In this illustration, the following are eligible for HST Point of Sale Rebates:
- products 22693-01, 22693-02 and 22693-03;
- product line SMW2.

Detailed Analysis – Point of Sale Entry

Modifications were also made in all point of sale entry programs (Quotes, Orders, Direct Invoices, Credit Memos ...) to handle HST Point of Sale Rebates, but for purposes of this document, order entry will be shown. The order shown in Figure-1 will have some products that are eligible for HST Point of Sale Rebates and some that are not eligible.

Figure-1

NOTE:
The ShipTo province for this order is ON. Therefore, the order is subject to HST at 13%, with an HST Point of Sale Rebate at 8%.

NOTE:
The first three products (totalling \$1,400) on this order are eligible for HST Point of Sale Rebates.

NOTE:
The last two products (totalling \$4,100) on this order are NOT eligible for HST Point of Sale Rebates.

#	Ty	Product Code	Description	Whs	UOM	Qty Ord	Qty Ship	Qty B/D	Price	Disc.	Extension
1	P	22693-01	Test Product-01 for SID	400	EA	10	10	0	\$10.0000	0.00	\$100.00
2	P	22693-02	Test Product-02 for SID	400	EA	20	20	0	\$20.0000	0.00	\$400.00
3	P	22693-03	Test Product-03 for SID	400	EA	30	30	0	\$30.0000	0.00	\$900.00
4	P	22693-04	Test Product-04 for SID	400	EA	40	40	0	\$40.0000	0.00	\$1,600.00
5	P	22693-05	Test Product-05 for SID	400	EA	50	50	0	\$50.0000	0.00	\$2,500.00

Summary
SubTotal: \$5,500.00
Discount: %
(+) ECOFEE: \$0.00
(+) Freight: \$0.00
(+) 13.0% HST: \$603.00
(+) 0.00% PST:
(=) Total Order: **\$6,103.00**

Order Information
Ship Via: CLARK Test
Payment Methods: On Account

HST Rebate Calculation
Total HST: \$715.00
HST Rebate: \$112.00
Total HST: \$603.00
Exit

The HST has calculated at \$603.00. In order to confirm the calculation, the user can press F5 on the HST figure to display the HST Rebate Calculation window shown on the right.
The callout confirms the calculation as follows:
Gross HST: \$715.00 (13% of \$5,500.00)
HST Rebate: \$112.00 (8% of \$1,400.00)
Total HST: \$603.00 (\$715.00 - \$112.00)

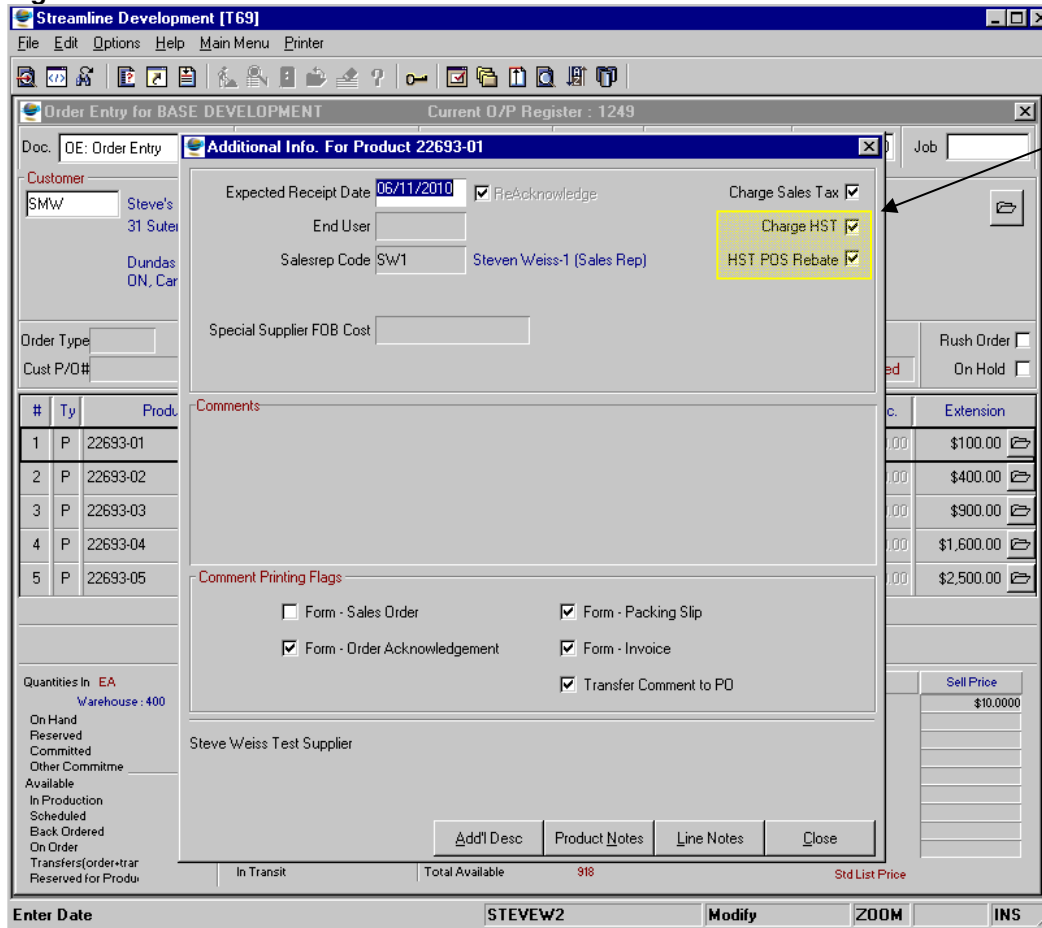
It is important to note that in the example shown, the system was allowed to make the determination as to whether to apply the HST Rebate.

Detailed Analysis – Point of Sale Entry...continued

At any time, the user can change this determination, on a line by line basis by clicking on the folder icon at the right of each line.

Figure-2 illustrates the result of clicking on the folder icon for the first item on the order. This item was eligible for the HST Point of Sale Rebate.

Figure-2



There are 2 checkboxes that affect the HST Calculation:
Charge HST;
HST POS Rebate.

These checkboxes are intelligent as follows:

- If shipto province is subject to PST and GST, the Charge HST is labelled Charge GST and HST POS Rebate is invisible;
- If the Charge HST is unchecked, the HST POS Rebate is disabled.

Any changes here will automatically be reflected in the Summary Section.