



The HST Blog

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Businesses Cannot Receive GST/HST Amounts Twice: Department of Finance Issues Amendments

On January 17, 2014, the Department of Finance released [proposed amendments](#) to the *Excise Tax Act* (Canada) in order to clarify that a GST/HST registrant cannot claim input tax credits (ITCs) in circumstances when the person has received a refund/credit/rebate of the GST/HST from a supplier. For example, if an Ontario business buys a computer from Best Buy for \$1000 + \$130 (HST) and returns the computer and receives a credit for \$1130 from Best Buy, the Ontario business cannot claim an ITC for the \$130 and recover it twice.

Also, non resident importers who must pay GST/HST at the border cannot claim input tax credits where the amount of GST/HST paid at the border is recovered (e.g., by way of a tax adjustment note) from a supplier outside Canada.

The amendments are a reaction to the Tax Court of Canada decision in [Quinco Financial Inc. v. R.](#) (known in GST/HST circles as *The Brick* case).

The amendments, when passed into law, will be deemed to have retroactive effect.

Interested parties are invited to provide comments on the draft legislative proposals by February 17, 2014. If the proposed amendments have unintended consequences in respect of legitimate activities, it is important to provide comments.

Comments (0) Read through and enter the discussion with the form at the end

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