

Ontario Harmonized Sales Tax

On July 1, 2010 the new Harmonized Sales Tax of 13% is scheduled to go into effect (combining the 8% PST & 5% GST).

On sales that have been subject to both PST and GST, the consumer's cost will be unchanged.

On products and services that are now subject to only GST, the new HST tax will mean that the consumer will be paying 8% more tax.

Manufacturers in Ontario will no longer need to pay sales tax on the cost of goods and services purchased for the manufacturing of their product. The Ontario Chamber estimates that this change will save Five Billion dollars per year for Ontario manufacturers.

President Len Crispino of the Ontario Chamber says that the Harmonized Sales Tax will create a stronger Ontario economy with higher real wages, a higher standard of living, higher productivity, lower business costs and increased investment. This model reflects that manufacturers will be able to reduce the price of their product, but assumes that manufacturers will pass along the savings to the consumer.

We are now starting to hear from a number of segments of the Ontario business community, reporting on their situation and how HST will affect them. We want and need to hear from our members on this very important issue. Please take a moment to convey your answers to the following questions via e-mail to the Chamber. We will summarize these responses and issue a press release on April 15th outlining the Greater Fort Erie Chamber's position on the HST and method of implementation.

-What is the nature of your business? Manufacturing _____ Retail/Service _____

-Do you understand the impact the HST will have on your business? Yes _____ No _____

-What affect will the HST have on your business?

Positive _____ Negative _____ No change _____ Not Sure _____

and why? _____

additional comments are also encouraged.