

Goods and Services Tax (GST) Rebate

2007

Since the implementation of the GST businesses have seen costs rise and problems develop. More and more transactions are being processed by means of a credit card or by debit card. All who accept these cards are subject to a user fee when processing these transactions. This fee applies to the cost of the goods and/or services received as well as the GST and PST.

The total burden of collecting the GST has been borne by the business collecting these taxes on behalf of the government. This is a service being provided on behalf of the federal government and the business providing this service is paying to provide this service. With the increased use of electronic payments by clients, the cost of providing the collection of taxes on behalf of the government will continue to increase.

Many provincial governments have made an allowance for the collection costs by allowing a 3.3% rebate to the business up to a maximum dollar value on a monthly basis. At the present time the federal government has not, which is adding to the cost of operations to all businesses cross Canada.

Recommendation

That the federal government makes an allowance of a 3.3% rebate incorporated into each filing period for businesses collecting GST on the government's behalf.