

# Decision Tree - Self-Assessment<sup>1</sup>

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**NOTE 1** – This flowchart does not take into account the application of the QST in Quebec and the retail sales taxes levied in non-participating provinces and territories

**NOTE 2** – Place of Supply Rules:

The place of supply rules are required to determine whether GST or HST will apply to a transaction. The rules are broken down into three (3) main categories: Tangible Property (TPP), Intangible Personal Property (IPP), and Services.

Please note there are special rules for: rentals, leases, real property, motor vehicles, passenger transportation, freight transportation, postage and mail delivery, and telecommunication services. Please refer to <http://www.cra-arc.gc.ca/E/pub/gm/b-103/README.html> for more information.

- (a) Tangible Personal Property (TPP) – Sales of goods are made in a province if the supplier delivers the goods or makes it available in that province to the recipient. Goods are deemed to be delivered in a particular province if the supplier either:
  - Ships the goods to a destination in the particular province specified in shipping contract
  - Transfers possession of the goods to a common carrier on behalf of the recipient to ship the good to a destination in the particular province.
  - Sends the goods by mail or courier to an address in the particular province.
  
- (b) Intangible Personal Property (IPP) (i.e. copyright, goodwill) – there are four (4) general rules:
  - Rule 1: Supply of IPP that can be used in Canada that can only be used primarily (>50%) outside the participating provinces are deemed to be made in a non-participating province and subject to GST at 5%.
  - Rule 2: Supply of IPP that can be used in Canada that can only be used primarily (>50%) in the participating provinces /i )