
GST Ruling Affects All Licensees

As a result of an advisory from Canada Revenue Agency, the Motor Dealer Council of B.C. no longer adds GST to license fees. This was in response to a request made by MDC as to whether license fees under the Motor Dealer Act (MDA) were subject to GST. In the absence of such a ruling, MDC was obligated to collect GST from the beginning, April 1, 2004.

In a letter sent to licensees who query the GST issue, Diana Den Duyf, Director of Finance and Operations, states: ***"On October 6, 2005 we received the requested ruling. CRA has determined that 'GST should not be collected on the registration and license fees charged pursuant to the MDA because they are exempt supplies. . . the MDC is not entitled to claim input tax credits on expenses related to the administration of the MDA."***

Since all GST collected on licenses since April 1, 2004 was forwarded to the Canada Revenue Agency, MDC is not in a position to issue refunds.

It is a non-issue for incorporated entities or businesses with GST numbers, as this would

have been deducted as an "input tax credit," from GST submissions, or claimed as a refund.

But for individuals, a personal deduction is available from income tax.

Den Duyf's letter advises: ***"This is available on line 457 of your personal tax return, and also requires completion of form GST 370. You may be aware that you are allowed to claim a deduction for most business related expenses by completing a Form T777 whereby you can deduct expenses, provided they do not exceed your commission income. Included in the expenses deducted would be GST paid, and you can claim a refund of that GST by completing form GST 370."***

FRIENDLY REMINDER:

The MDC Certified Sales Professional (CSP) Training and Certification Course is the approved course required to obtain a Salesperson License. **Upcoming training courses with space available.**



- PRINCE GEORGE - December 14-15, Esther's Inn
- RICHMOND - December 19-20, Vancouver Airport Travelodge
- COQUITLAM - January 5-6, Douglas College
- PRINCE RUPERT - January 12-13, Northwest Comm. College
- VANCOUVER - January 25-26, Sandman Inn, 180 W. Georgia
- NANAIMO - January 30-31, Best Western Dorchester Hotel