

Part C – Election (continued)

Indicate the duration of this election (tick **one** box only):

One supply or multiple supplies

(Election in effect for one day.)

Year Month Day

Enter the date of transaction:

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

Ongoing supplies

(Election in effect from the effective date, until you jointly revoke it in writing.)

Year Month Day

Enter the effective date of election:

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

Supplies made for a specific period

(Election in effect from the effective date to the end date you specify, unless you jointly revoke it in writing.)

Year Month Day

Year Month Day

Enter the effective dates:

From

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

to

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

Part D – Principal's certification of the election

I certify that the information given on this form and in any attached documents is correct and complete, and that I am the principal or that I am authorized to sign for the principal.

Name (print)

Title

Telephone number

Extension

Signature

Year

Month Day

Part E – Certification of election by agent

I certify that the information given on this form and in any attached documents is correct and complete, and that I am the agent or that I am authorized to sign for the agent.

Name (print)

Title

Telephone number

Extension

Signature

Year

Month Day

Part F – Revocation of election

Describe the nature of the supply or supplies to which this revocation applies. (Any additional information can be attached on a separate sheet.):

Revocation of the election for the supply or certain supplies described in this part.

Year Month Day

Enter the effective date of the election:

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

or

Revocation of the election for all supplies described in this part or in Part C.

Year Month Day

Enter the effective date of the revocation election:

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

We, the agent and principal, jointly revoke the election we previously made for the agent to account for the GST/HST on the supply or certain supplies, as described in this part or on all supplies described in this part or in Part C of that election as indicated above.

Signature of principal or authorized person

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Year Month Day

Signature of agent or authorized person

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Year Month Day

Personal information is collected for purposes of the administration or enforcement of the Excise Tax Act, Part IX, and related programs and activities including administering tax, rebates, elections, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to: access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 241 on Info Source at canada.ca/cra-info-source.

General information

General rule (without an election)

Under the general rule, a registrant principal has to collect and account for the GST/HST on a taxable supply (other than zero-rated) made for it by an agent, and the agent, if a registrant, has to collect and account for the GST/HST on the services it provides to the principal that relate to the supply. This general rule applies when the principal and agent are both GST/HST registrants and the supply is taxable (other than a zero-rated supply) and is not a sale made by auction.

Joint election for an agent to account for the GST/HST

A joint election can be made between a supplier (the principal) and a registrant agent when the principal is required to collect and account for tax but prefers that the agent be responsible for doing so. The agent still has to charge and account for the GST/HST on the commission and services it provides to the principal that relate to the supply. For more information, see "Effect of the election" and "Joint liability" on this page.

Joint election for a billing agent to account for the GST/HST

Generally, a billing agent acts as agent for a supplier in charging and collecting the amount due (including tax) for a supply made by the supplier. However, the billing agent may not be acting as agent in making the supply itself.

A registrant billing agent acting as an agent for a supplier in charging and collecting the amount due for a supply is considered to be acting as an agent in making the supply but **only** for the purposes of this election. This means that a supplier (principal) and a billing agent can jointly elect for the billing agent to account for the GST/HST charged or collected on the supply instead of the principal.

Effect of the election

When this election is in effect for a supply that an agent makes for a principal, the following rules apply to the agent (including a billing agent) and principal:

- In calculating net tax, the agent has to account for any amount charged or collected for tax.
- The rules pertaining to refunds, credits, or adjustments of tax to a recipient apply to the agent, not to the principal.
- The rules pertaining to bad debt adjustments and recovery of bad debts apply to the agent, not to the principal.
- The agent and principal are jointly and severally, or solidarily, liable for certain GST/HST obligations as explained under "Joint liability."
- If the agent uses the quick method of accounting for calculating its net tax, the quick method rates do not apply to the supplies covered by this election. For more information on these rules, see Guide RC4058, Quick Method of Accounting for GST/HST.
- The agent has to include the amount for the supply in the calculation of its threshold amount to determine the agent's reporting period. The principal does not include that amount in its threshold calculation.

Joint liability

The agent and the principal are jointly and severally, or solidarily, liable for all GST/HST obligations that result from **any** of the following:

- the tax becoming collectible
- any failure to account for or pay a net tax amount that is reasonably attributable to the supply
- any failure to account for or pay any overpayment of refund or interest received by the agent and that is reasonably attributable to the supply
- the agent claiming a bad debt deduction to which the agent was not entitled or was in excess of the amount to which the agent was entitled, including any failure to pay the amount of any underpayment of net tax and interest resulting from claiming that deduction
- after a refund, credit, or adjustment of tax to a recipient, the agent claiming an amount to which the agent was not entitled or was in excess of the amount to which the agent was entitled, including any failure to pay the amount of any underpayment of net tax and interest resulting from claiming that amount
- a recovery of all or part of a bad debt relating to the supply for which the agent had claimed a deduction, including any failure to pay the amount of any underpayment of net tax and interest resulting from that recovery

Effect of a revocation

An agent and a principal can jointly revoke an election they previously made for a supply. The parties decide on the effective date of a revocation. The effective date can be earlier or later than the current date. If you revoke an election for a supply, the election is considered never to have been made for that supply and the general GST/HST rules will apply.

Books and records

Do **not** send us this form. The principal and agent must each keep a filled out copy with their books and records while the election is in effect and for 6 years after the end of the year to which an election relates.

If this form is a revocation of an election, it must also be kept by each party for 6 years after the end of the year to which the revocation relates.

What if you need help?

For more information on GST/HST, see Guide RC4022, General Information for GST/HST Registrants, go to canada.ca/gst-hst, or call 1-800-959-5525.