

February 9, 2010

RCCs and the HST

Dear Member:

Federal legislation was passed in late 2009, setting the course for the Harmonized Sales Tax (HST) to take effect in BC on July 1, 2010. The HST is a blended tax rate of 12%, combining the 5% GST and the 7% PST.

Does the HST apply to RCCs?

According to the Canada Revenue Agency Web site (accessed on February 4, 2010):

“Businesses in British Columbia that are registered for the GST would be required to collect the HST and would report their HST according to their current GST filing frequency.”

In short, if you are already collecting GST, then you will have to start collecting HST.

If you don't already collect GST, please visit the CRA website for registration requirements at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/ndn/gst-tps/menu-eng.html>

Aren't RCCs exempt from charging GST/HST?

Unfortunately, no.

Services provided by RCCs are not GST-exempt because RCCs are not “authorized medical practitioners” as defined by the *Income Tax Act* - as “authorized medical practitioner” being a practitioner whose profession is governed by provincial statute (i.e. “...legislated assurance of competence of the person administering the service.”). Until the BC Government designates a College of Counselling Therapists (e.g. under the Health Professions Act) – qualifying them to be on the list of “authorized medical practitioners” – voluntarily-regulated practitioners are not exempt from charging and remitting taxes on their services.

What is BCACC doing about this?

BCACC is a founding member of the Task Group for Counsellor Regulation in BC. For more than 16 years, the Task Group has maintained constant pressure on the provincial government to recognize the registrants of the Task Group's member organizations under the Health Professions Act (HPA). Once Counselling Therapists are recognized under the HPA, the HST should not apply to its registrants.

What can you do?

We encourage you to address this issue as a grievance with your local Member of Legislative Assembly (MLA), Member of Parliament (MP), and the Federal Minister of Revenue, with a copy to BCACC.

Sincerely,
BC Association of Clinical Counsellors

Jim Browne
Executive Director