



With



A Guide Line for C-Store Commander's user to how to apply  
HST regulation in your store

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688 West Hastings Street,  
Vancouver, BC, V6B 1P1**

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# A brief review to HST regulation

## **The following are exempt from the BC and ON provincial portion of sales tax.**

- Gasoline, ethanol, diesel and bio-diesel when used in motor vehicles as well as locomotive fuel used for trains, marine diesel used for boats, and aviation fuel and jet fuel used for aircraft.
- Books
- Children's-sized clothing and footwear
- Children's car seats and car booster seats
- Diapers
- Feminine hygiene products

## **Also all goods and services currently exempt from the GST, will be exempt from the HST. These include:**

- basic groceries
- prescription drugs
- residential rent

## **Rebates**

The BC AND ON Government has promised that low income families (under \$25,000) and individuals (under \$20,000) will receive \$230 credit.

## **Residential energy rebate**

- A rebate will be set up to ensure that HST will not increase the cost of heat or power in residential homes.

## **New home rebate**

- New home buyers will not pay more in taxes than they would have under the old embedded PST system. This is applicable for houses under \$525,000.
- New houses over \$525,000 will receive a maximum of \$26,250
- Used homes are not subject to HST

## **Zero-rated goods and services**

- basic groceries such as milk, bread, and vegetables.
- agricultural products such as grain, raw wool, and dried tobacco leaves.
- most farm livestock.
- most fishery products such as fish for human consumption.
- prescription drugs and drug-dispensing fees.

- medical devices such as hearing aids; heart-monitoring devices; hospital beds; breathing apparatus; asthmatic devices; prescription eyeglasses/contact lenses; artificial eyes; artificial teeth such as dentures, crowns and bridges, orthodontic appliances; aids to locomotion such as a chair, commode chair, walker, wheelchair lift or other aid to locomotion for use by an individual with a disability; patient lifters; wheelchair ramp; portable wheelchair ramp; modifying motor vehicles to adapt the vehicle for the transportation of an individual using a wheelchair; prescription orthotic and orthopedic devices; prosthesis/devices; canes or crutches; articles for blind individuals; guide dogs for blind individuals and hearing ear dogs; supplies and services related to medical and assistive devices.
- exports.

**Exempt goods and services:**

- imports of zero-rated goods (goods that are specifically taxed at zero per cent in Canada, such as prescription drugs)
- goods imported by a charity or public institution that have been donated to the charity or institution
- used residential housing
- long-term residential accommodation (of one month or more), and residential condominium fees
- some sales of vacant land or farmland
- most health, medical, and dental services performed by licensed physicians or dentists for medical reasons
- child-care services (day-care services for less than 24 hours a day) for children 14 years old and younger
- personal-care services for children, underprivileged individuals, or individuals with disabilities, when provided by a person operating an establishment for these individuals, in either institutional or non-institutional settings
- bridge, road, and ferry tolls (ferry tolls are taxed at zero per cent if the ferry service is to or from a place outside Canada)
- legal aid services
- many educational services, such as courses from a vocational school that lead to a certificate or a diploma to practice a trade or a vocation; or tutoring services for an individual who takes a course approved for credit by a school authority or the education service follows a curriculum designated by a school authority
- music lessons
- most food or beverages sold in an elementary or secondary school cafeteria primarily to students of the school and most meal plans provided in a university or public college
- most services provided by financial institutions such as arrangements for a loan or mortgage
- arranging for and issuing insurance policies by insurance companies, agents, and brokers
- certain goods and services provided by non-profit organizations, governments, and other public service bodies, such as municipal transit services and standard residential services such as water distribution
- most goods and services provided by charities.

**Goods and services that are exempt when charities provide them:**

- most services
- supplies of used or donated goods
- short-term residential accommodation (less than one month of occupancy)
- Meals-on-wheels programs. This exemption is for a supply of food or beverages to seniors, underprivileged individuals, or individuals with a disability, under a program established and operated to provide prepared food to such individuals in their places of residence. Any supply of food or beverages made to a charity for these programs is also exempt from GST/HST
- parking space rentals
- facility rentals (e.g., halls for weddings); and catering services for private functions (e.g., wedding receptions)
- Fees for recreational programs are exempt from GST/HST if the programs are provided primarily to children 14 years of age and under (however, if there is overnight supervision throughout a substantial part of these programs, the fee is taxable).
- Recreational services provided primarily to underprivileged individuals, or individuals with a disability, are also exempt.

Under the GST and HST, there are three different ways that goods and services are treated: they are zero-rated, exempt or taxable.

**Zero-rated**

- Consumers do not pay HST on zero-rated items (i.e., they pay a zero per cent tax rate)
- Those making zero-rated supplies can claim input tax credits to recover tax paid on inputs used in making those supplies.
- Examples: basic groceries, prescription drugs, medical devices, exports.

**Exempt**

- Consumers do not pay HST on exempt items (i.e., businesses or people making exempt supplies do not charge HST).
- Those making exempt supplies cannot claim input tax credits to recover tax paid on inputs used in making those supplies.
- Examples: health and dental services, financial services, long-term residential rental accommodation, child-care services, educational services.

**Taxable**

- Most goods and services are taxable, which means that HST is charged on the supply of those items.
- Businesses making taxable supplies can claim input tax credits to recover tax paid on inputs used in making those supplies.
- Examples: cars, clothing, furniture, haircuts.

## The best practice

Based on our experience at Infonet Technology, it is much easier for C-Store Commander users to apply this new tax category to the appropriate stock items only after your inventory has been fully organized (by category, department, sub-department and sub-detail). This will enable you to apply HST to a group of items in a category or department, rather than individually. This method ensures speed, accuracy and simplicity.

Please note that **GST and PST** description are not to be deleted from your tax table in the Back Office application under any circumstances.

In this user manual, we are going to offer two types of methodology for applying taxes:

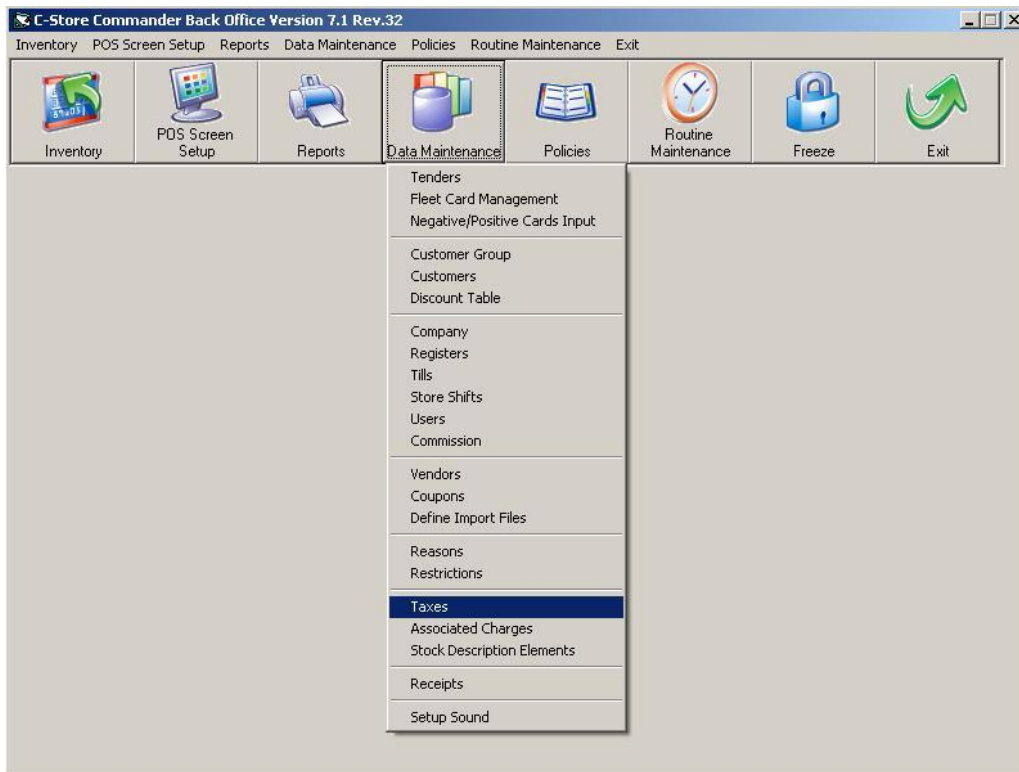
- Applying taxes to a group of items in an organized stock environment OR
- Applying taxes individually in a disorganized stock environment.

# How You can create “HST” tax defenition

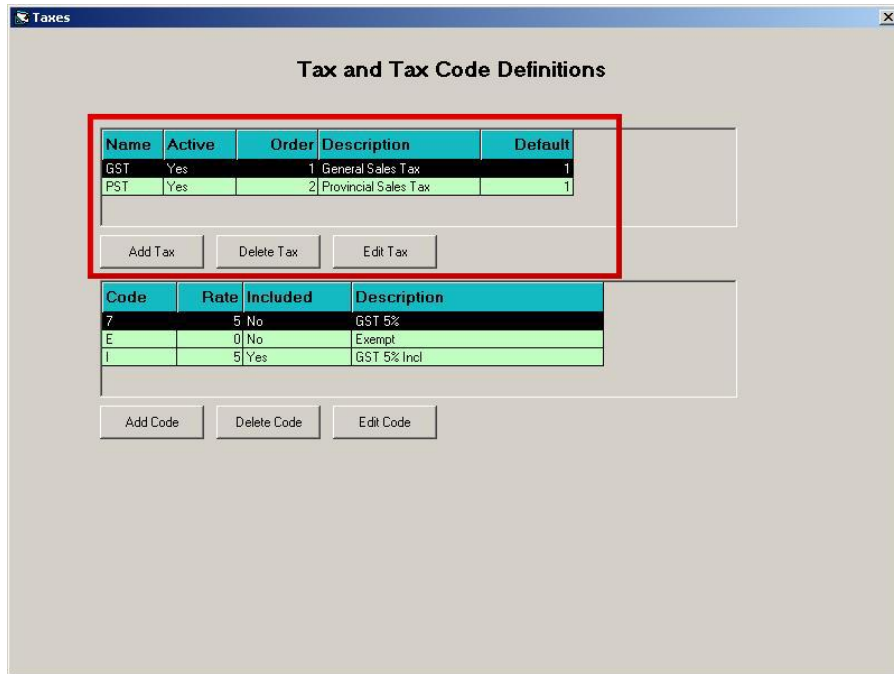
## Step 1: Define HST tax

Run your Back Office application. Note that you will need “Manager” status to perform this task.

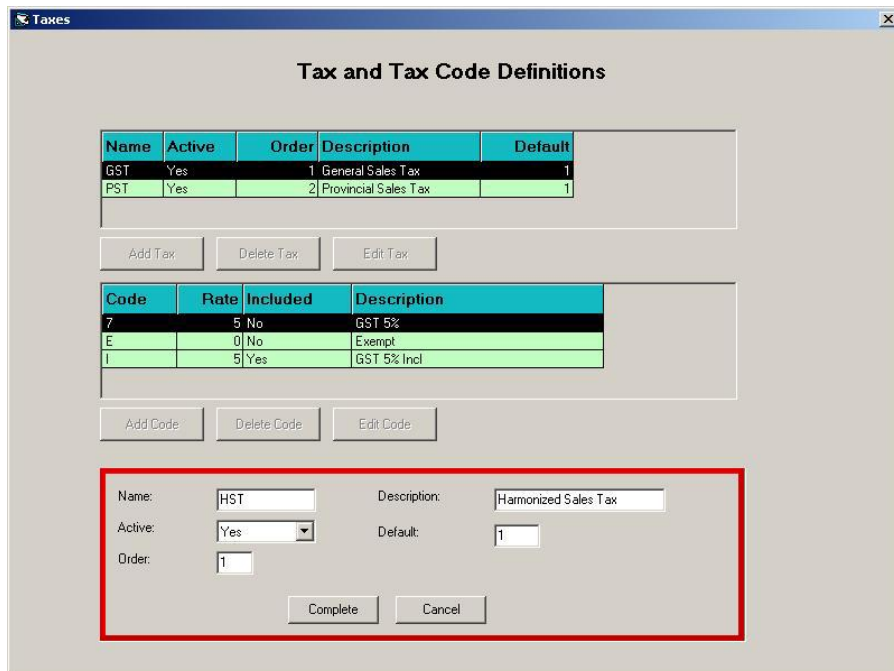
- Click on “Data Management” Button
- Click on “Taxes” menu option



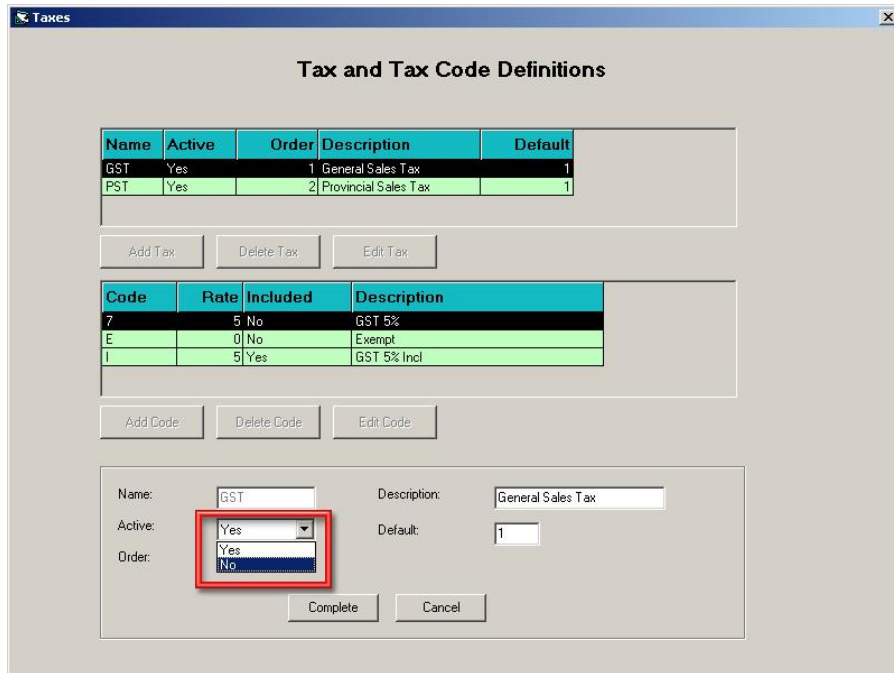
The following screen will appear on the screen.



Before you create the new “HST” tax code definition, you should make all other type of Tax code definitions “Inactive”. To do this, click on “GST” on the upper table, (as shown in the above figure) and then click on “Edit Tax” button.



A few property fields will appear on the lower part of the screen. Click on the button in front of the “Active” field and then change the value to “NO”. By this you will make the “GST” Tax definition “Inactive”. Then press Complete



Now, do the same for the “PST” Tax definition.

As seen below, "HST" has not yet been created as a tax or a tax code definition. To create this new item, click on the "Add Tax" button shown below.

The screenshot shows a window titled "Taxes" with the subtitle "Tax and Tax Code Definitions". It contains two tables and several buttons.

Name	Active	Order	Description	Default
GST	No	1	General Sales Tax	1
PST	No	2	Provincial Sales Tax	1

Buttons: Add Tax (highlighted), Delete Tax, Edit Tax

Code	Rate	Included	Description
7	5	No	GST 5%
E	0	No	Exempt
I	5	Yes	GST 5% Incl

Buttons: Add Code, Delete Code, Edit Code

The Tax definition field will appear at the lower part of the screen as shown below.

The screenshot shows the same window as above, but with a form for adding a new tax definition at the bottom. The form fields are highlighted with a red box.

Form fields:

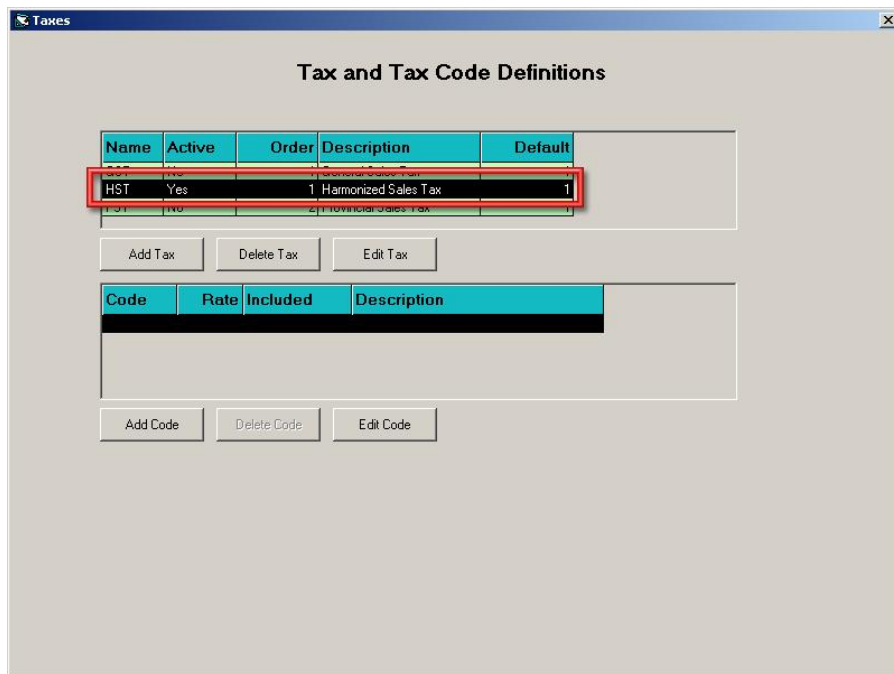
- Name: HST
- Description: Harmonized Sales Tax
- Active: Yes (dropdown menu)
- Default: 1
- Order: 1

Buttons: Complete, Cancel

As shown below, please take the following steps:

- Enter **“HST”** as the **“name”**
- Select **“Yes”** for **“active”**
- Enter **“1”** as the **“order”**
- Enter **“Harmonized Sales Tax”** as the **“description”**
- Enter **“1”** as the **“default”** value

Then press **“Complete”** to finalize this task.



As you can see above, a new type of tax named **“HST”** will appear in Tax table. Now, we will need to add codes for this new tax type. To achieve this, click on the row named **“HST”** at the top of the screen and then **“Add Code”** at the bottom of the screen. The following screen will appear.

**Tax and Tax Code Definitions**

Name	Active	Order	Description	Default
GST	No	1	General Sales Tax	1
HST	Yes	1	Harmonized Sales Tax	1
FST	No	2	Provincial Sales Tax	1

Add Tax Delete Tax Edit Tax

Code	Rate	Included	Description
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Add Code Delete Code Edit Code

Code: A Included: No  
Rate: 12 Description: Added 12%

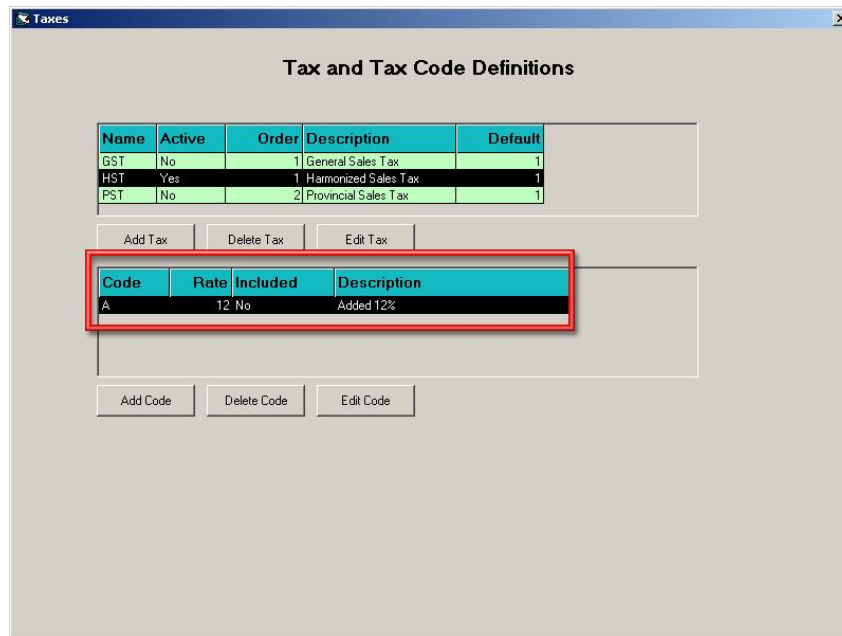
Complete Cancel

Take the following steps to define new codes for the “**HST**” tax definition:

For the first code:

- Enter “**A**” as the “Code”
- Enter “**12**” as the “Rate”
- Select “**No**” for “Included”
- Enter “added 12%” as “Description”
- Press “**Complete**”

Your first code will appear on the screen as shown below.



Take the same steps to create the following codes.

For the second code:

- Enter **"I"** as the "Code"
- Enter **"12"** as the "Rate"
- Select **"Yes"** for "Included"
- Enter **"Included 12%"** as the "Description"
- Press the **"Complete"** button

For the Third code:

- Enter **"D"** as the "Code"
- Enter **"5"** as the "Rate"
- Select **"No"** for "Included"
- Enter **"Added 5%"** as the "Description"
- Press the **"Complete"** button

For the forth code:

- Enter **"N"** as the "Code"
- Enter **"5"** as the "Rate"
- Select **"Yes"** for "Included"
- Enter **"Included 5%"** as the "Description"
- Press the **"Complete"** button

You will now see “A”, “D”, “I” and “N” as your tax codes shown below.

**Taxes**

**Tax and Tax Code Definitions**

Name	Active	Order	Description	Default
GST	No	1	General Sales Tax	1
HST	Yes	1	Harmonized Sales Tax	1
PST	No	2	Provincial Sales Tax	1

Add Tax    Delete Tax    Edit Tax

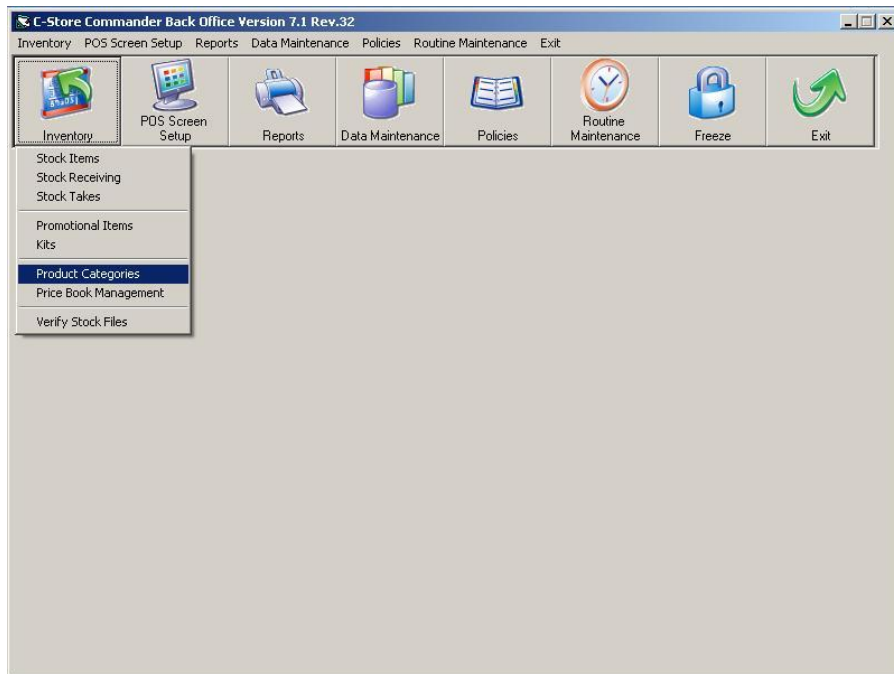
Code	Rate	Included	Description
A	12	No	Added 12%
D	5	No	Added 5%
I	12	Yes	Included 12%
N	5	Yes	Included 5%

Add Code    Delete Code    Edit Code

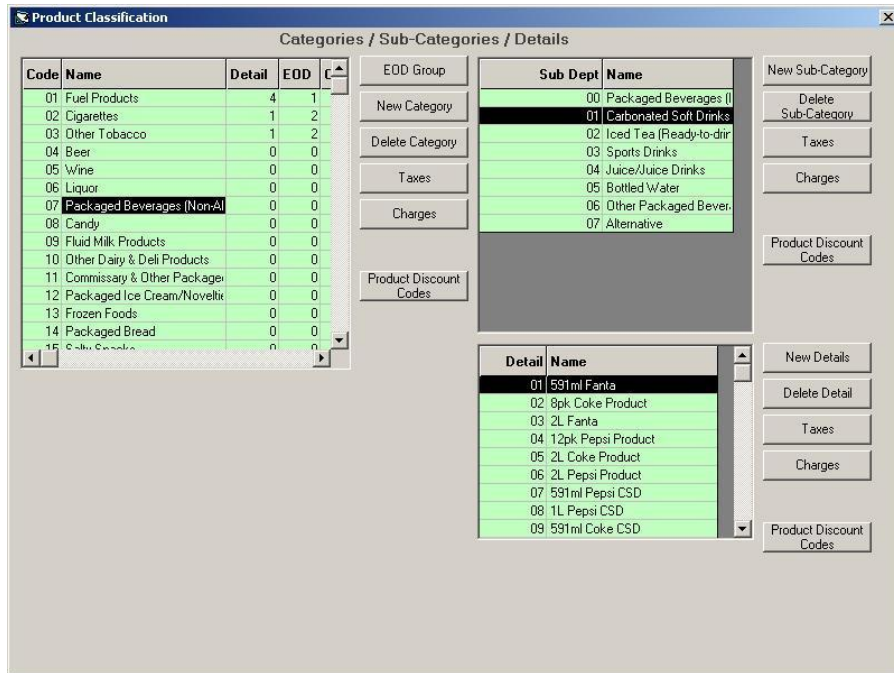
# How you can apply HST on your stock

## Part I: Organized Stock

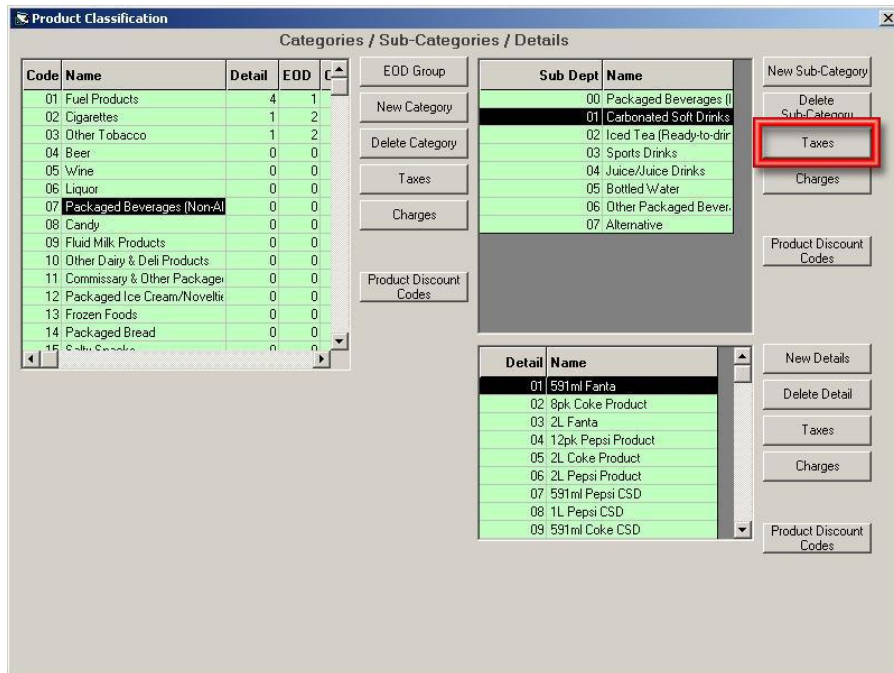
Now you can apply these codes to your stock items. To achieve this, you will need to go back to the main menu of the Back Office application.



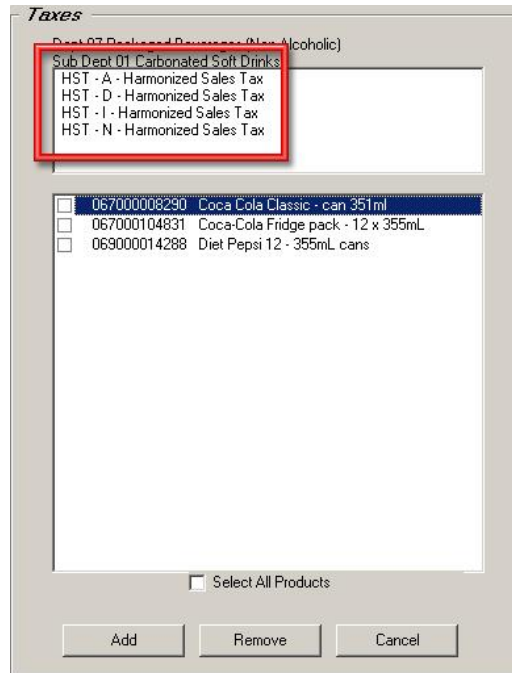
Click on “Inventory” and the following screen will appear.



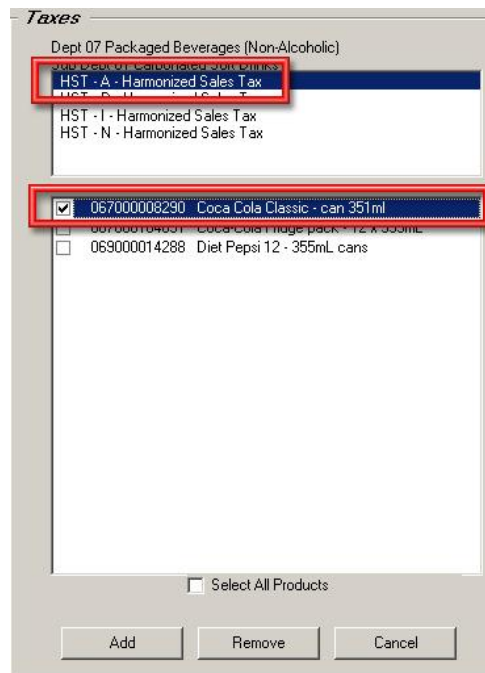
Select one of your product categories such as “Packaged Beverage (Non-Alcoholic)” shown below. As seen below, several sub-departments and sub-details will appear.



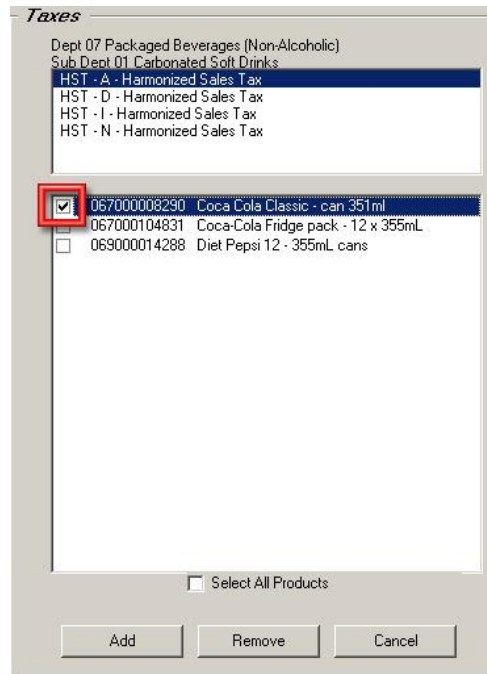
Click on the “Taxes” Button shown above and the screen below will appear.



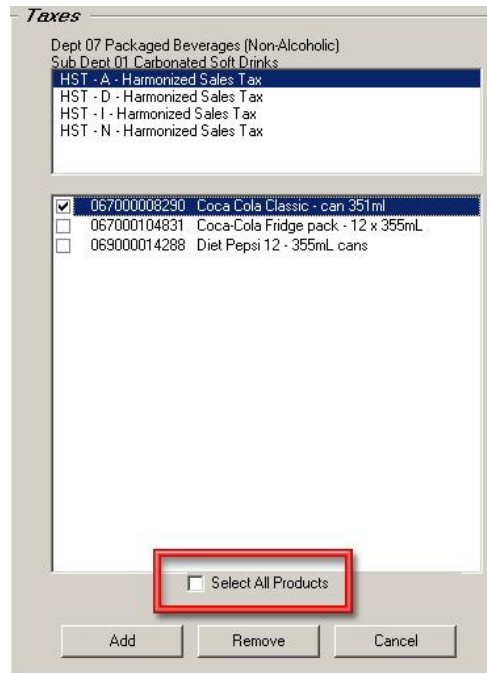
You can now select what type of Tax will be applied to each group of products. For instance, by clicking on “HST – A” type, which is set as “12% Added HST tax”, you can add a 12% tax to all or some of the products in this category as seen below.



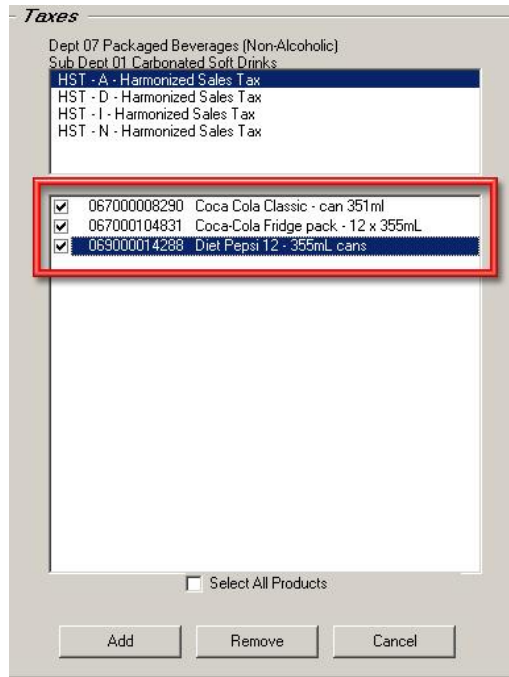
You can select or omit products for a certain type of tax as appropriate.



Otherwise, you can check the box next to “select all products” as shown at the bottom of the screen above to apply taxes to all products within this category.



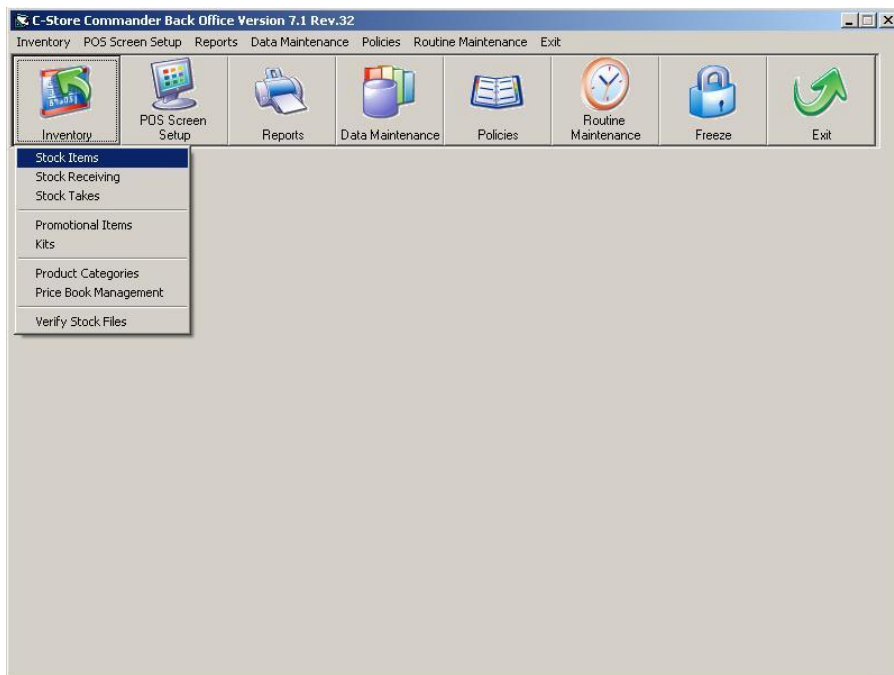
You will now see all products that are selected as seen below.



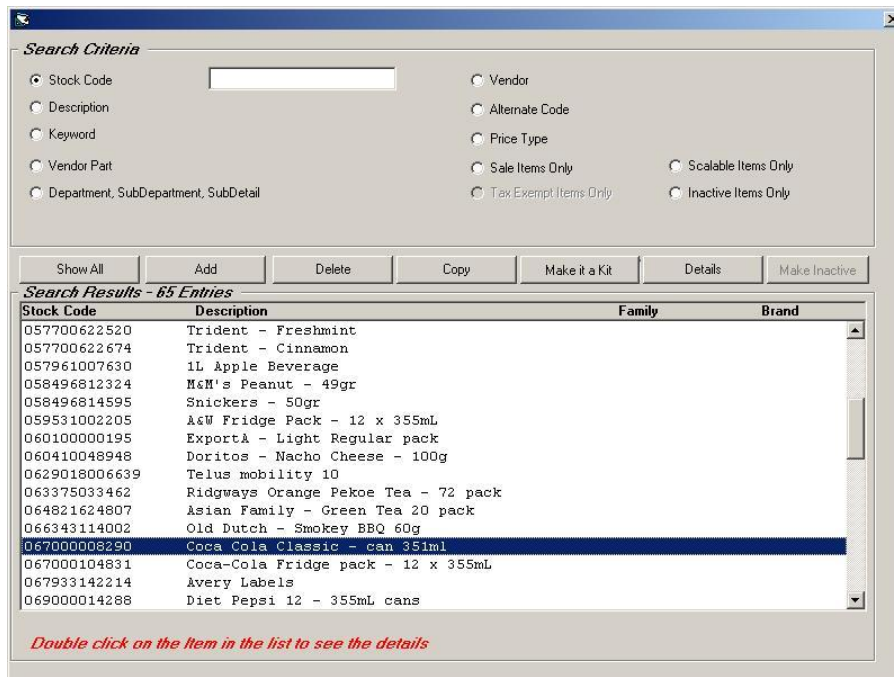
## Part II: Unorganized Stock

In this case Users can apply HST to each stock item individually as discussed before.

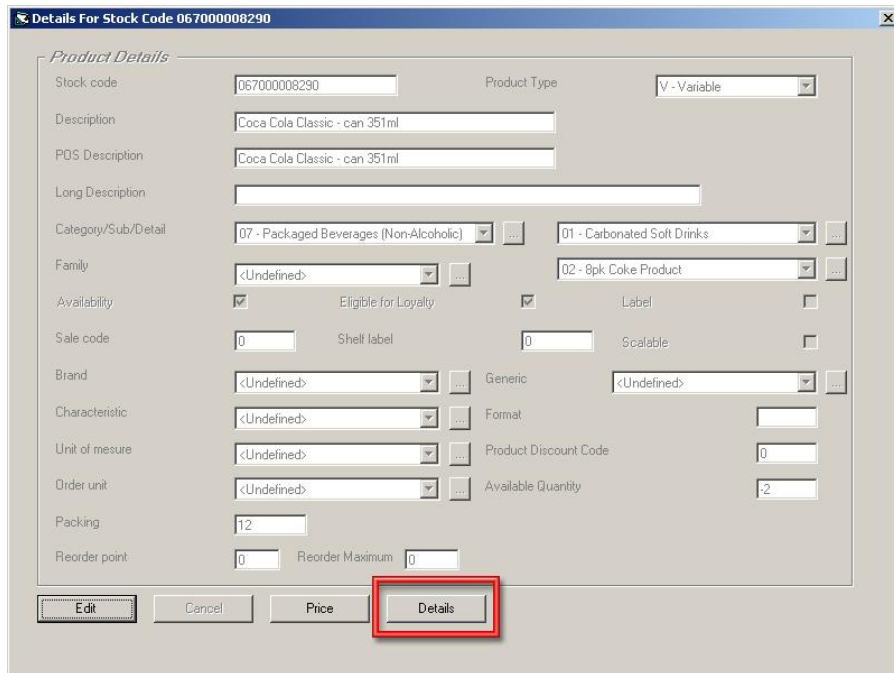
In order to do this, run your Back Office program, and choose “Stock Items” from the “Inventory” menu.



The following screen will now appear.



Choose your desired product from the stock list and **double click** on the item. You will see the following screen.



The please click on “Detail” button. The following screen will appear on your screen.

The screenshot shows a window titled "Details For Stock Code 06700008290". It contains four main sections:

- Charges and Deposits:** A table with columns "Code", "Description", and "Price". Below the table are "Add" and "Delete" buttons.
- Alternate Codes:** A table with a single column "Alternate Code". Below the table are "Add" and "Delete" buttons.
- Taxes:** A table with columns "Tax Name", "Tax Code", "Rate", and "Included". Below the table are "Add" and "Delete" buttons. The "Add" button is highlighted with a red box.
- Bar Code:** A section with a "# Of Copies" dropdown menu (set to 1), a barcode, and the stock code "06700008290" below it. A "Print" button is located at the bottom.

Please click on the “Add” button, as shown in the above picture. Then pick from the Tax pop-up menu shown below.

This screenshot shows the same window as above, but with the "Add" button in the Taxes section clicked. A dropdown menu is now open, showing the following options:

- <Select a Tax>
- HST - A
- HST - D
- HST - I
- HST - N

The dropdown menu is highlighted with a red box. The "Add" button in the Taxes section is no longer visible, and the "Delete" button is now visible below the dropdown menu.

The screenshot shows a software window titled "Details For Stock Code 067000008290". It contains several sections: "Charges and Deposits" with a table for Code, Description, and Price; "Alternate Codes" with an "Alternate Code" field; "Taxes" with a table for Tax Name, Tax Code, Rate, and Included; and "Bar Code" with a "# Of Copies" dropdown, a barcode, and the stock code "067000008290". The "Taxes" table has a red border around its header and first row.

Tax Name	Tax Code	Rate	Included
HST	A	12	No

You have now added a new tax to a selected item. You will need to close this window and go back to "Stock Items" on the "Inventory" menu to do the same for another stock item.

Please contact our helpful support team if you have any questions regarding HST set-up. Our helpful staff is more than willing to help you in making this transition. You may reach us at 1-888-925-8125 or via e-mail at [cstoresupport@infonet-tech.com](mailto:cstoresupport@infonet-tech.com).