

Resolution 25A

HST PROVINCIAL REBATE (PASSED)

⇒ Town of Mahone Bay

WHEREAS municipalities presently receive a 100% rebate of the Federal portion of HST paid and 57.14% of the Provincial portion of HST paid; and

WHEREAS it is the Canadian Revenue Agency (CRA) that interprets the provisions of the Federal HST legislation and regulations; and

WHEREAS there are instances that the CRA has required partner municipalities to pay HST for their portion of costs paid by the administering municipality; and

WHEREAS this has resulted in the non administrating municipalities to be paying a portion of HST twice; and

WHEREAS the CRA could make similar rulings in the future and require participating municipalities to pay HST on payments to other joint agencies such as Regional Libraries, Regional Development Agencies, Regional Libraries; and

WHEREAS it never was the intent for municipalities to pay HST on inter municipal agencies and partnerships; and

WHEREAS the net result is payment only of provincial HST;

THEREFORE BE IT RESOLVED that the Union of Nova Scotia Municipalities request that Service Nova Scotia and Municipal Relations set up a program whereby municipalities who are required to pay HST on contributions to municipal joint ventures can apply to the province for a rebate on the net HST cost paid by the municipality to such joint venture.

Forwarded to:

Minister of Service Nova Scotia & Municipal Relations