



## ELECTION OR REVOCATION OF AN ELECTION BY A PUBLIC SERVICE BODY TO HAVE AN EXEMPT SUPPLY OF REAL PROPERTY TREATED AS A TAXABLE SUPPLY

Use this form if you are a public service body (PSB) that holds real property and:

- you want to treat your exempt supply (or supplies) of that property as taxable;
- you want to claim input tax credits (ITCs) for that property based on the extent of its use in commercial activities, instead of using the primary use rule for that property; or
- you want to revoke a previous election for that property.

For eligibility information and the effects of making or revoking an election, see pages 2 and 3.

Real property means the entire estate of interest held by the PSB included in the legal description or leasehold interest (which includes all structures and other improvements that are fixtures to the land).

**Note**

When making an election, complete sections A through F (do not complete Section G). When revoking an election, complete only sections A, B, C, and G.

<b>A – Identification</b>	
Complete legal name	Business Number                     R   T
Trading name (if different from legal name)	
Contact person	Title Telephone number - -
<b>B – Type of public service body</b>	
Tick the appropriate box: <input type="checkbox"/> Charity <input type="checkbox"/> Municipality <input type="checkbox"/> School authority <input type="checkbox"/> University <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Hospital authority <input type="checkbox"/> Public college	
<b>C – Identification of the property</b>	
Legal description of property – Lot, plan, concession, range, parcel, section, etc. (You will find the description on your deed, or another land transfer document available from your provincial land registry office.) Where applicable, use the strata lot for the lot number.	
Lot No.:	Plan No.: Other:
<b>D – Information about this election</b>	
a) Are you selling this property? <input type="checkbox"/> Yes <input type="checkbox"/> No    If <b>yes</b> , give the date of sale (if known):	Year    Month    Day 
b) Are you supplying this property by way of lease, licence, or similar arrangement? <input type="checkbox"/> Yes <input type="checkbox"/> No	
c) Do you want to claim ITCs for this property based on the actual use rule of the property in your commercial activities rather than using the primary use rule?	<input type="checkbox"/> Yes <input type="checkbox"/> No
d) For this property, what is the percentage of use in your commercial activities at the time you are making this election?	_____ %
<b>E – Eligibility (You must answer <b>yes</b> to one of these questions to be eligible to make the election.)</b>	
Is this real property your capital real property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is this real property held in your inventory for the purpose of supplying it?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did you acquire this real property by way of lease, licence, or similar arrangement for the purpose of supplying the property in the same manner, or for the purpose of assigning the arrangement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>F – Election</b>	
_____, makes an election for the real property identified in Section C. (Print complete legal name of PSB.)	
The PSB understands that this election applies only to the real property identified in Section C. After this election takes effect, certain supplies of the real property, which would otherwise be exempt if this election was not in effect, are taxable.	
Effective date of this election (date the PSB wants the supply of the real property to be taxable or the date the PSB wants to claim ITCs based on the actual use of the real property in commercial activities):	Year    Month    Day 
I certify that the information given on this form is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign this election on behalf of the PSB.	
Signature of authorized person	Title Year    Month    Day 



### **If you sell the property while election is in effect**

If you are a registrant and you make a taxable sale of the property while the election is in effect, you may be entitled to claim an ITC to recover some or all of the GST/HST paid or payable on your acquisition (or deemed acquisition) of the property, and on improvements you made to it, that you could not previously recover. However, special rules may apply to limit the amount of an ITC you can claim in this case. For more information, call us at **1-800-959-8287**.

### **If you become a registrant on the same day the election takes effect**

If you become a registrant on the same day this election takes effect, the rules for claiming an ITC discussed above do not apply. In this case, you may be entitled to claim an ITC for real property if just before you became a registrant, you were a small supplier and you held the real property for consumption, use, or supply in your commercial activities. The amount of the ITC will be based on the tax you are considered to have paid, which is equal to the BTC of the property, and the extent to which you use the property in commercial activities.

For more information about claiming ITCs when you become a registrant, see Guide RC4022, *General Information for GST/HST Registrants*, or call us at **1-800-959-5525**.

### **Non-registrants**

If you are not a GST/HST registrant, you cannot claim an ITC to recover any GST/HST payable on the purchase of real property. As a PSB, you may be entitled to claim a rebate for part of that tax. However, you may not be able to recover the total amount of the tax payable.

If you later sell that real property, you may be able to recover the tax you were previously unable to recover if you have filed this election.

In general, when you file this election for real property, a sale of the real property that would normally be exempt will be taxable.

#### **Note**

Certain supplies will stay exempt even if the election is in effect. For example, a sale of used housing is generally exempt.

If your sale of the real property is taxable, you can claim a rebate equal to the BTC of the property at the time of your sale or the amount of the tax payable by the buyer on your sale, whichever amount is less, using Form GST189, *General Application for Rebate of GST/HST*.

#### **Note**

Special rules apply for determining the amount of your rebate if you make a taxable sale of the real property to another person with whom you are not dealing at arm's length. For more information, call us at **1-800-959-8287**.

### **Basic tax content (BTC)**

The BTC of a property generally means the GST/HST that you paid or owe on the property, and on any improvements to the property, less any amounts that were, or may be, reimbursed to you such as rebates or remissions, but not including ITCs. The calculation for the BTC also takes into account any depreciation in the value of the property since the last acquisition. For more information on calculating the BTC of a property, see Guide RC4081, *GST/HST Information for Non-profit Organizations*, or Guide RC4082, *GST/HST Information for Charities*.

### **Filing the election or revocation**

To make the election or revoke the election, you have to file this form within one month of the end of the reporting period in which the election or revocation becomes effective. You have to file a separate election or revocation for each property for which you are electing or revoking an election.

If you are a GST/HST registrant, your reporting period is the period for which you regularly file your GST/HST returns.

If you are not a GST/HST registrant, your reporting period is a calendar month.

### **Duration of the election**

The election is effective until you revoke it or until you no longer hold the property. If you revoke the election, the revocation is effective on the date you specify in Section G of this form.

### **Effect of revocation of the election**

When you revoke an election, the revocation is effective on the day you specify in Section G of this form, as long as you file the form within one month after the end of the reporting period in which the election stops being effective. For more information on the date by which you have to file the election, see "Filing the election or revocation" on this page.

If you do not stop being a GST/HST registrant on the effective date of the revocation, you are considered to have:

- made a taxable sale of the property and to have bought it; and
- collected and paid GST/HST equal to the BTC of the property on the effective date of the revocation.

In this case, you have to include GST/HST equal to the BTC of the property on the effective date of the revocation in your net tax calculation for the reporting period that includes the effective date of the revocation, and remit any resulting positive amount of net tax.

If you stop being a GST/HST registrant on the effective date of the revocation, you are considered to have:

- made a taxable sale of the property and to have bought it; and
- collected and paid:
  - where the property **is not** capital property (for example, if it is inventory) GST/HST calculated on the fair market value of the property on the day you stop being a registrant; or
  - where the property **is** capital property (for example, if you held it for use in your commercial activities, but not for resale) GST/HST equal to the BTC of the property when you stopped being a registrant.

In this case, you have to include the applicable amount of GST/HST in your net tax calculation for the reporting period that includes the day you stopped being a registrant, and remit any resulting positive amount of net tax.

You have to remit the GST/HST that you are considered to have collected and have to follow the primary use rules to determine whether an ITC can be claimed. When revoking an election, complete only sections A, B, C, and G.

#### **Note**

If you revoke your election, you will generally have to account for GST/HST equal to the BTC of the property on the day of revocation in your net tax calculation.

### **Do you need more information?**

For more information, see guides RC4081, *GST/HST Information for Non-profit Organizations*, and RC4082, *GST/HST Information for Charities*, visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca), or call us at **1-800-959-5525**.