



## GENERAL INFORMATION

### General rule (without an election)

Under the general rule, a registrant auctioneer is responsible for charging and accounting for the GST/HST on all sales of property (other than zero-rated sales) regardless of whether or not the principal is a GST/HST registrant. The auctioneer's services to the principal, which relate to the sale of the property, such as pre-auction price estimates, advertising or illustration, short-term storage, calling the auction, and providing a facility, are usually not subject to GST/HST. For more information, see GST/HST Info Sheet GI-010, *Auctioneers*.

### Joint election for the principal to charge and account for the GST/HST

A registrant principal and a registrant auctioneer may jointly elect to have the principal charge and account for the GST/HST on the sale of prescribed property made by the auctioneer on the principal's behalf. The auctioneer has to charge and account for the GST/HST on all the services it provides to the principal. The election can be in effect for one day, an indefinite period, or a specified period, whichever you indicate in Part C of this form. Regardless of the duration of the election, you must assess whether all eligibility requirements in Part C are met for each day you want to use the election.

For the election to be effective on a particular day of the duration, the following must be true **for that day**:

- both the principal and the auctioneer are GST/HST registrants;
- the property is prescribed property (as defined on this page);
- the sales would be taxable if the principal made them; and
- 90% or more of the proceeds from the auctioneer's sales on the principal's behalf for that day are attributable to sales of prescribed property to which this election applies.

If any of these requirements are not met on a particular day of the duration, the election is not in effect **for that day** and the general rules apply for that day.

### Prescribed property

The following property is prescribed under the *Property Supplied by Auction (GST/HST) Regulations* for purposes of this election:

- (a) cut flowers and foliage, bedding plants, nursery stock, potted plants and plant bulbs and tubers;
- (b) horses;
- (c) motor vehicles designed for highway use;
- (d) machinery and equipment (other than office equipment) designed for use in:
  - (i) the exploration for, or the development or production of, petroleum, natural gas, minerals or water;
  - (ii) mining, quarrying or logging;
  - (iii) the construction or demolition of capital works, buildings, structures, roads, bridges, tunnels or other projects;
  - (iv) the manufacture or production of tangible personal property, the development of manufacturing or production processes or the development of tangible personal property for manufacture or production;
  - (v) the treatment or processing of toxic waste or the detection, measurement, prevention, treatment, reduction or removal of pollutants;
  - (vi) carrying refuse or waste from, or exhausting dust and noxious fumes produced by, manufacturing or producing operations; or
  - (vii) the prevention of accidents in the workplace or the mitigation of their effects;
- (e) attachments for property included in paragraph (d); and
- (f) repair or replacement parts for property included in paragraph (d) or (e).

### Books and records

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

### Do you need more information?

For more information on GST/HST, see Guide RC4022, *General Information for GST/HST Registrants*, visit our Web site at [www.cra.gc.ca/gsthst](http://www.cra.gc.ca/gsthst), or call us at 1-800-959-5525.