

GENERAL INFORMATION

GST/HST fiscal year

Every registrant has a fiscal year for GST/HST purposes. We use this fiscal year to determine when your GST/HST returns are due. In most cases, your GST/HST fiscal year is the same as your tax year for income tax purposes.

The tax year of the following business entities is usually a calendar year:

- individuals and certain trusts; and
- professional corporations that are members of a partnership (such as a corporation that is the professional practice of an accountant, a lawyer, or a doctor).

If you have a tax year that is the calendar year, your income tax return covers the period from January 1 to December 31. If your GST/HST fiscal year is the same as your tax year, your GST/HST fiscal year is also January 1 to December 31.

The income tax fiscal period of a partnership, where at least one member of the partnership is an individual, professional corporation, or other affected partnership, is usually a calendar year. If your GST/HST fiscal year is the same as your income tax fiscal period, then it will also be a calendar year.

The GST/HST fiscal year of a corporation is usually the same as its tax year for income tax purposes.

Election to use a calendar fiscal year

If your tax year or fiscal period for income tax purposes is not a calendar year, you may elect to have a GST/HST fiscal year that is a calendar year.

Example

A partnership uses an income tax fiscal period of June 1 to May 31. The partnership may elect to use the calendar year, January 1 – December 31, as its GST/HST fiscal year.

A corporation can either use its tax year for income tax purposes as its GST/HST fiscal year, or it can elect to use a calendar year as its GST/HST fiscal year. These are the only two GST/HST fiscal year options available to corporations.

As a new registrant, a corporation does not need to make an election to use its tax year as its GST/HST fiscal year. However, if a corporation does not choose to use the same year end for GST/HST purposes as it uses for tax purposes, it has to make an election to use a calendar year.

If a corporation changes its non-calendar tax year to another non-calendar tax year (for example, from March 31 to June 30), and if its GST/HST fiscal year was the same as the original non-calendar tax year, the corporation has two choices:

- advise us of a change in GST/HST fiscal year as a result of a change of tax year; or
- make an election to change its GST/HST fiscal year to the calendar year.

Election to use a non-calendar fiscal year

You can elect to have a GST/HST fiscal year that is not a calendar year if you are a self-employed individual and you use a non-calendar fiscal period for income tax purposes.

Example

You are a registrant sole proprietor and you use a tax fiscal period of September 1 to August 31. You can elect to make your GST/HST fiscal year the same.

The option to elect a non-calendar GST/HST fiscal year is also available to trusts. In addition, if an individual or trust is a member of a business partnership that uses a non-calendar income tax fiscal period, the individual or trust can make an election to use a GST/HST fiscal year that is the same as the income tax fiscal period used by the business partnership.

Duration of election

Your election to change your GST/HST fiscal year has to stay in effect for at least one year (12 consecutive calendar months).

Revoking your election

You can elect to revoke a previously chosen GST/HST fiscal year. The revocation will take effect on the first day of the new fiscal year, provided that day is at least one year from the effective date of the previous election.

Example

In August of 2008, you decide you want to use a December 31 year end rather than August 31 as described in the previous example. You have been using August 31 as your fiscal year end since you elected to do so in 2005. Because you have been using the August 31 year end for more than one year, you can revoke the election. On September 15, 2008, you send us a request to revoke your previous (August 31) election. Effective January 1, 2009, you will begin using December 31 as your GST/HST fiscal year end. If you are an annual filer, you file a return to cover the period between your old year end and the new one. In this case, the return would cover the period from September 1 to December 31, 2008. In the years 2009 and forward, your returns will cover the full year, January 1 to December 31.

Filing instructions

Send this completed form to your tax centre.

For more information

For more information, visit our Web site at www.cra.gc.ca or call 1-800-959-5525.