**Fees for charity events — Does GST/HST apply?**

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Most charities rely primarily on donations for their revenues. However, charities increasingly run events for fund-raising purposes — everything from dinners to golf tournaments to bike races to flea markets.

In some cases, a charity needs to charge GST or HST on its fees (or “tickets”) to such events.

This article provides a summary as to when charity events or tickets are likely to be taxable. **It is only a general summary. A charity that has any uncertainty about this issue should consult a tax lawyer with GST/HST expertise.**

In the summary below, “charity” refers to an entity that is a registered charity for income tax purposes (with an “RR” Business Number, entitled to issue receipts for donations that entitle the donor to a tax credit for income tax purposes).

# 1. Unregistered small supplier

Any person or entity that is a “small supplier” is permitted to remain outside the GST/HST system. They do not register for GST/HST, and they do not need to charge GST/HST on their sales. (They also cannot claim input tax credits to recover the GST or HST they pay on purchases. Effectively they’re like a consumer.)

For businesses generally, a person with no more than $30,000 in annual revenues is normally a small supplier that can choose to remain unregistered. For a charity, the threshold is $50,000. If total *GST-taxable* revenues in any four consecutive calendar quarters total more then $50,000, the charity is not a “small supplier”.

As an alternative test, any charity whose total revenues (including donations and government support) do not exceed $250,000 is a “small supplier”.

(Note that any “associated” persons are included in the test for a small supplier. This includes persons under common control. If the charity controls a business corporation, for example, that corporation may cause the charity to not be a small supplier.)

A “small supplier” can choose not to register for GST/HST. **If it remains unregistered**, it does not charge GST/HST on its taxable sales.

Note that a charity can have a GST/HST number without being registered! Charities generally qualify for a “Public Service Body Rebate” of part of the GST/HST they pay on purchases (the percentage varies by province and by the type of charity). The CRA will give the charity an “RT” Business Number (e.g. 12345 6789 **RT**0001) for purposes of this rebate. That does not mean the charity is “registered” for GST/HST. A charity that is “registered” will normally be asked by the CRA to file a GST/HST return (not a rebate application) at least once a year. If you are not sure whether your charity is registered, call the CRA or check at www.cra.gc.ca/gsthstregistry.

If your charity is a small supplier, *and* it is not registered, then it does not need to charge GST or HST, even on fees that are taxable under the GST/HST.

# 2. Fund-raising event exemption

A **fund-raising event** is exempt if it meets both of the following conditions:

• It is an **admission** to a **fund-raising dinner, ball, concert, show or like fund-raising event**.

• **Part of the fee** may reasonably be regarded as an amount that is **donated to the charity**, and a donation tax receipt can be issued for that portion (or could be issued if the donor were an individual).

(This exemption is in *Excise Tax Act* Schedule V, Part V.1, section 2, and in Schedule V, Part VI, section 3, depending on the kind of charity.)

If the above conditions are met, then the charity does not need to charge GST or HST on the admission, even if the charity is GST-registered.

It may not always be clear what constitutes a “like fund-raising event”. A golf tournament or other competitive event is probably not “like” a dinner, ball, concert or show, but this is uncertain. If you are unsure, get professional advice from a tax lawyer with GST/HST expertise.

# 3. Other exemptions

If neither of the above exemptions applies, there are several other possible exemptions that can apply, depending on the kind of charity and the type of event the charity is running. A “public institution” (university, hospital, school, public college or entity determined by the CRA to be a municipality for GST/HST purposes) has rules that are different from other charities.

If you conclude that neither of the exemptions in 1 or 2 above applies, get professional advice from a tax lawyer with GST/HST expertise as to whether your charity is required to collect GST or HST on fees being charged, and if so, how to determine what rate of GST or HST to charge to each participant.

You may also wish to review CRA Info Sheet GI-067, “Basic GST/HST Guidelines for Charities”, available at:

www.tinyurl.com/cra-gi-067