BC/YUKON COMMAND
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November 29, 2024

TO: All Branches
For Information of Members of Command Executive Council

FROM: Glenn Hodge, Command Treasurer and Emily Yuan, CPA, Command Controller

SUBJECT: Federal Government Proposal – Temporary GST/HST Holiday Relief

Memo 70.24

Dear Comrades,

On November 21, 2024, the Federal Government announced a proposal to temporarily remove GST/HST on qualifying consumer goods. This relief is scheduled to be in effect from December 14, 2024, to February 15, 2025, inclusive. Please refer to the announcement ***More money in your pocket: A tax break for all Canadians*** (https://www.canada.ca/en/department-finance/news/2024/11/more-money-in-your-pocket-a-tax-break-for-all-canadians.html) for more information.

Key Points to Note:

- **On November 28, 2024, this proposal was passed in the House of Commons, and sent to the Senate**
- Branches should monitor updates on the Government of Canada website (https://www.canada.ca/en.html), as this temporary relief may impact Legion Branches operating bars, lounges, or restaurants.

Preparation and Compliance Steps for Branches:

1. **Stay informed**
    a. It is strongly recommended to regularly check updates on the Government of Canada website, particularly as we approach December
2. **Identifying qualifying goods**
    a. Once the relief is legislated, review the list of qualifying goods carefully
    b. Be prepared for potential changes in GST/HST rates, particularly for items in the **Food and Beverages** category. For a detailed list, please refer to the ***GST/HST Holiday Tax Break*** announcement (https://www.canada.ca/en/services/taxes/child-and-family-benefits/gst-hst-holiday-tax-break.html)
3. **Adjust GST Rates during the relief period**
    a. From **December 14, 2024 to February 15, 2025**, qualifying goods will be **zero-rated** for GST/HST purposes (0% GST)
    b. Update your pricing and accounting system to reflect this change starting **December 14, 2024**
    c. Revert the GST rate back to **5%** immediately after **February 15, 2025**
4. **Seek clarification for complex transactions**
    a. As of now, the Government has not provided detailed guidance on accounting treatments, such as whether business-to-business transactions involving qualifying goods will also be zero-rated

b. To ensure compliance, contact the **CRA Business Inquiry Line** at **1-800-959-5525** in December for clarification.

Recommended Next Steps to Take:

- Begin planning for potential adjustments in pricing and accounting systems
- Assign someone to monitor legislative updates and ensure your Branch remains compliant
- Reach out to the CRA for any specific concerns or questions

By staying proactive and informed, Branches can effective navigate this potential temporary GST/HST relief and ensure smooth operations during the affected period.

Sincerely,

Glenn Hodge and Emily Yuan