

## GST Rebate

### GST

The GST is generally a tax imposed on transactions that take place in the course of a commercial activity. Charities are an exception to this general rule. In its simplest form, a charity is allowed to claim back 50% of GST paid on supplies and services.

In order to claim the GST Rebate, the organization must have a system in place to account for the GST paid and must retain documents to support the claim. Such documentation must include the receipt or invoice that was paid which shows the GST amount and indicates the vendor's GST registration number. You may also calculate GST on any travel reimbursement paid out based on a travel log and kilometers driven.\* GST rebates are claimed on Form GST 66 - Application for GST /HST Public Service Bodies' Rebate.

### GST Rebates

**The rebate is claimed on form GST 66- Rebate Claim form for Charity Registrants.**  
**<http://www.cra-arc.gc.ca/E/pbg/gf/gst66/gst66-08e.pdf>**

For those provinces that pay the combined HST, form GST 66 also includes information on eligible rebates.

Effective **January 1, 2008**, the GST rate is 5%.

### Calculating GST on Travel Reimbursements

If you are paying your pastor or staff a travel reimbursement based on kilometers driven, the GST amount that would be included in that reimbursement may be calculated as follows:

$$\frac{\text{Total Kilometers Driven} \times \text{Reimbursement Rate} \times 5}{105} = \text{Total GST}$$

*(Please note: the employee must keep a written log of mileage.)*