

knew how to apply and calculate the tax and who were aware of the products for which FST savings might be expected could help to reduce confusion in the marketplace and lessen the potential for abuse.

The Committee was advised that a number of trade associations had not yet received responses from the government to their members' many questions about the implementation of the tax in relation to their businesses. The Funeral Service Association of Canada stated that it has yet to receive clear, consistent answers to questions about the application of the GST to moneys held in trust for prepaid funerals. Other witnesses indicated that negotiations with the government concerning the application of the GST were ongoing.

The Committee notes that there is a high level of uncertainty and confusion among some businesses about the operation of the GST. Unless alleviated quickly, this will make the transition from the FST to the GST more difficult and have a negative impact on consumers. The Committee believes that it is essential for all businesses to have a clear understanding of how the GST applies to their operations. We therefore strongly urge the government to act as quickly as possible to resolve any outstanding issues in this regard. It is also our view that the government should initiate a comprehensive information program for the business community. The Committee therefore recommends that:

Outstanding technical issues which are of concern to businesses as they plan for the implementation of the GST be resolved promptly.

Information on the impact of the GST be provided to businesses as they plan for GST implementation, and well before implementation of the tax.

The Minister of National Revenue informed the Committee that upon registration to become GST collectors businesses would have access to programs and information to assist them in preparing for the tax. Some 1.6 million businesses and organizations are expected to register.

The Committee believes that the confusion and uncertainty about the GST could be reduced considerably if businesses register with Revenue Canada as soon as possible. The Committee therefore recommends that:

The Department of National Revenue urge businesses to register without delay for GST collection, in order to receive basic information.