

GST applies to sales and leases of commercial properties such as hotels, shopping malls and office buildings. It also applies to sales of new and substantially-renovated residential housing, including rental properties and owner-occupied homes. The GST does not apply to used residential housing.

Also taxable are sales and leases of land that occur in the course of doing business – and this includes the sale of property previously used by the vendor for business purposes.

Capital Goods

Businesses may claim input tax credits for the GST they pay when they purchase capital goods – for instance tools, machinery, furniture and personal computers. To be eligible for credits, these goods must be used primarily (more than 50 per cent) for business use.

Leased Capital Equipment

Businesses and self-employed people who lease capital equipment primarily for commercial use can claim a full input tax credit for the GST paid on the lease payment.