

However, payments to self-employed people working on commission or contract are subject to GST. In these cases, businesses pay GST for these services and may claim input tax credits for the amounts paid.

Employee Benefits

Certain employee benefits are not subject to GST. These include pension payments and contributions, deferred compensation and profit-sharing plans, group life insurance, interest-free loans and tuition fees.

Allowances and Reimbursements

Employers may claim input tax credits on expense allowances paid to employees for charges incurred in Canada to the extent that the allowance is deductible for income tax purposes in determining the employer's income.

Buildings and Land

A GST-registered business may claim an input tax credit for GST paid on the purchase of land and buildings in proportion to the extent that the land or building is used for commercial activities.