

Corporate Report

Report from Select Department/DivisionOrJobTitle

Date of Report: April 22, 2019

Date of Meeting: MAY 7, 2019/
JUNE 25, 2019

Report Number: 2019-PAC-002

File: 2019BOARD0507

Subject: Performing Arts Centre – Para-Municipal Status

Recommendation

That the Board approve the application to the Canada Revenue Agency (CRA) for the FirstOntario Performing Arts Centre Board (PAC) to be considered a Para-Municipal organization.

Background

The PAC is currently operating as a part of the City of St. Catharines and charges/collects HST on behalf of the City. The City then files all of the necessary GST/HST rebates and returns with the CRA.

Report

As the PAC is currently operating as part of the City, the PAC is not currently registered with the CRA.

As part of the transition to the municipal service board and becoming a separate entity, the PAC is required to register for an HST number. As a service board, the PAC will have to file their own GST/HST rebates and returns with the CRA separately from the City.

Registering as a Para-Municipal organization will allow the PAC to file for and receive GST/HST rebates from the CRA consistent with municipalities. Registering the PAC as a para-municipal organization (for GST/HST purposes) will also simplify the financial transactions made between the PAC and the City, which will allow supplies and services between the PAC and the City to be HST exempt.

Financial Implications

It is vital to the financial sustainability of the PAC to register as a Para-Municipal Organization. By being considered a Para-Municipal Organization, the PAC will receive 100% rebates for the GST portion paid and 78% of the PST portion. Without registering as a Para-Municipal organization and receiving the rebate, the PAC will be required to

pay the full GST/HST on all applicable purchase and include the net difference between HST paid and collected on their HST filing with the CRA.

Notification

- That the Board prepare and pass the necessary by-law to approve the application to the CRA for Para-Municipal Status
- That staff take the necessary steps to prepare and submit the appropriate applications to the CRA.

Prepared and submitted by:

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