

## Frequently Asked Questions (FAQs)

### 1) What is HST?

HST or Harmonized Sales Tax combines Ontario's provincial sales tax (PST 8%) with the federal goods and services tax (GST 5%) to produce a rate of 13%. Currently, ESA charges only GST (5%) on its services but this will increase to 13% with the introduction of HST.

### 2) When does it come into effect?

HST will be effective July 1, 2010. Transitional rules may affect the tax charged on customer billings generated from May 1, 2010 to June 30, 2010 (more information to come).

### 3) How does this impact ESA's customers?

HST is a "flow through" expense to most HST registered companies.

- *Electrical Contractors and other corporate customers, if registered, are entitled to claim an input tax credit with the Canada Revenue Agency (CRA) for the HST charged by ESA.*
- *End users (consumers/most one-time customers/homeowners) are not able to claim the credit.*

ESA will collect the 13% HST from its customers and will remit the full 13% to Canada Revenue Agency.