



GST Methods

Long or Regular Method

1) You collect GST	→ Send it to Ottawa
2) You spend GST	← Get it back from Ottawa
For Example	
Total Income	\$30,000
Total GST Collected	= 30,000 X .05 = \$1,500
Total GST Spent	GST paid on expenses (\$850)
YOU PAY THE NET	\$650

Quick Method

1) You collect 5% GST	
2) You send 3.6% to Ottawa minus 2 things	
For Example	
Total Income	\$30,000 \$30,000
Total GST Collected	= 30,000 X .05 = \$1,500
Entire amount (GST and Income)	\$31,500
Take 3.6% of Entire amount	= 31,500 X .036 = \$1,134
Less 1% of Income of 30K and under	(\$300)
Less GST Paid on New Assets (eg. Computer)	(\$150)
YOU PAY THE NET	\$684

HISTORICAL PERCENTAGES:

	GST Rate	Quick Method Calculation
1991 - June 30, 2006	7%	5%
June 30, 2006 - Dec. 31, 2007	6%	4.3%
Jan. 2008 - Present	5%	3.6%

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