

GST seminar draws big crowd

By KAREN SMITH

Milton joins the rest of Canada in its concern over the proposed Good and Services Tax (GST), judging by the turnout at a recent seminar on the subject.

But this event, organized by the certified general accounting firm of Gunning, MacDonald, O'Gorman and Sellors, didn't serve as a protest on the issue.

Rather, the public gathering at the Muddy Duck Banquet Hall Tuesday evening was planned as an information session.

Bob Jason, a taxation lawyer for Leadley, Gunning and Culp International, presented a basic description of the GST and how it affects small business.

Credits

Mr. Jason explained that the GST legislation proposes removing the current system of Federal Sales Tax (a 13.5 per cent hidden tax) at the manufacturing and importing levels.

Instead, new proposed legislation will require most businesses to collect a tax of seven per cent on the sale of goods and services.

In turn many businesses will be allowed to claim, as a credit, GST paid on goods and services used in their businesses (Input Tax Credits).

Mr. Jason said goods and services will fall into two categories — taxable and exempt.

All taxable goods and services will either not be taxed at all or at seven per cent, he explained.

With certain exceptions, some items consumers will not be taxed on are: Prescription drugs; medical devices; basic groceries; exports; travel services involving international travel; international freight services and international financial services.

All other taxable goods and services (sold after January 1, 1990 or for delivery after December 31, 1990) will be taxed at seven per cent.

Exempt services

Exempt (no GST charged) services will include used residential real estate; health care services; child and personal care services; legal aid services; public sector assistance; domestic financial services; ferry, road and bridge tolls and residential rentals in excess of one month.

Businesses which sell goods and services taxed at zero per cent will still be able to claim Input Tax Credits, while businesses which provide services with an exempt rating will not.

Mr. Jason said this may force businesses such as dental services to raise their fees in order to to compensate.

The popular event was attended by about 130 people — more than organizers expected. Although the presentation provided an apparently thorough overview of the GST, it only "scratched the surface," said Mr. Jason.

The next five seminar planned by Gunning, MacDonald, O'Gorman and Sellors will take place Tuesday, Nov. 27 on the topic: *How to Run a (More) Successful Small Business.*

The function will again be held at the Muddy Duck Banquet Hall, 360 Steeles Ave., at 7 p.m.

For more information, call 878-1258.

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