

GST and PST

In Canada, GST (Goods and Services Tax) is added to the price of most goods and services that you buy. GST is 5%, as of January 1, 2008. It is **not** added to:

- basic groceries
- prescription drugs

As well, in Ontario, PST (Provincial Sales Tax) is added to the price of goods and some services. PST is 8%. It is **not** added to:

- basic groceries
- prescription drugs
- children's clothing
- books



If you are not sure whether GST and PST will be added to something you are paying for, just ask the cashier.

If you want to work out how much the added tax will be, use this table and a calculator:

		Multiply the price by:
GST	5%	1.05
GST and PST	13%	1.13

Example:

The ad says *Towels at \$12.99 each*

- This advertised price plus GST will be $12.99 \times 1.05 = \$13.64$
- The cost of the towel, with GST and PST will be $12.99 \times 1.13 = \$14.68$

What will be the total cost of each of these items?

Electric coffeemaker, \$19.99 + GST and PST	Total cost =
Baby's sweater, \$11.49 + GST (no PST)	Total cost =
Prescription for skin rash, \$14.32 (no GST or PST)	Total cost =