

Date: June 2016

To: Distributors of Beverage Products under Newfoundland and Labrador's Used Beverage Container Recycling Program
 Re: Impact of HST Changes in Newfoundland and Labrador

On April 14, 2016, the Government of Newfoundland and Labrador announced its intention to increase the Newfoundland and Labrador component of the HST to a rate of 10 per cent effective July 1, 2016, resulting in an HST rate of 15 per cent in Newfoundland and Labrador.

Taxable Products

The impending change will impact distributors selling taxable beverage products in the province of Newfoundland and Labrador and the amount remitted to MMSB each month. Sales of taxable non-alcoholic beverage containers up to and including June 30, 2016 should continue to be remitted at the rate of \$0.0765 per unit. Sales of these products after June 30, 2016 should be remitted at \$0.0761 per unit. The rate has also changed for alcoholic beverage containers. Sales of taxable alcoholic beverage containers up to and including June 30, 2016, should continue to be remitted at the rate of \$0.1885 per unit. Sales of these products after June 30, 2016 should be remitted at \$0.1870 per unit. The difference between the full levy of \$0.08 and \$0.20 and amount remitted to MMSB must continue to be remitted to CRA.

Zero Rated Products

HST does not apply to zero-rated products, therefore, no portion of the beverage container deposit is classified as HST. You must continue to remit \$0.08 or \$0.20 on all zero-rated products.

The following table summarizes the pre and post June 30, 2016 remittance rates per unit:

Container Type	Sales up to and including June 30, 2016		Sales after June 30, 2016	
	Taxable	Zero-Rated	Taxable	Zero-Rated
Non-alcoholic **	\$0.0765	\$0.08	\$0.0761	\$0.08
Alcoholic	\$0.1885	\$0.20	\$0.1870	\$0.20

** - Includes beer cans, non-refillable beer bottles and 50 ml liquor bottles.

Remittance Forms

Attached are updated remittance forms with the new rates. This new remittance form should be used for all sales of beverage products after June 30, 2016. To ensure all remittances are reported and remitted accurately, we require that each distributor submit separate remittance forms for the period up to June 30, 2016 and another for sales after June 30, 2016.

If you have any questions regarding these changes, please feel free to contact us at remittances@mmsb.nl.ca or 1-800-901-mmsb(6672).

