

## Human Resources Legislative Update

### Department of Finance Proposes Changes to HST Calculation Rules Affecting Investment Funds

**Date:** May 19, 2010

On May 19, 2010, the Department of Finance released [proposed changes to the Harmonized Sales Tax](#) (“HST”) rules covering the supply of financial services relating to the calculation of the provincial component of the HST under the *Excise Tax Act*.

As outlined in the government Backgrounder, the proposed changes would affect, among others, mutual funds, pension plans, DPSPs, RCAs, health and welfare trusts, supplementary unemployment benefit plan trusts, and other employee benefit plans.

The proposal also includes consequential changes flowing from the new Input Tax Credit calculation method for registered pension plans introduced in Bill C-9, which we discussed in our [FTR Now of April 5, 2010](#).

Comments on the proposals may be submitted by interested parties by June 9, 2010 to [ConsultationsFI-IF@fin.gc.ca](mailto:ConsultationsFI-IF@fin.gc.ca).