

VENDORS MUST TAKE NOTE!

“HST CHANGES PENDING”

Effective July 1st, 2010, Vendors will begin to receive input tax credits on all sales taxes paid.

Accordingly, the City of Mississauga expects all vendors to reduce their prices to reflect the changes in sales tax status.

For existing contracts, i.e. those which have been entered into prior to July 1st, vendors must reduce unit prices by the amount of the sales tax related to the savings they will obtain.

For lump sum contracts entered into prior to July 1st, which may include both goods and services, vendors will be expected to provide a credit to the City for the dollar amount that represents the PST that was embedded in the materials cost portion of the total lump sum at the time the contract was implemented.

Vendors should also note that it is expected they will issue separate invoices for goods and services delivered or performed up to and including June 30th, and for goods and services delivered or performed on July 1st or later.

Also as of July 1st, the City will convert all of its purchase contracts from the old PST/GST status to reflect the new HST status as applicable.