

HST Changes for Ontario, British Columbia and Nova Scotia

****All Firms — Consult with your PCLaw™ CIC, Tax Advisor or Accountant before implementing any changes in PCLaw as tax implications may exist. ****

Ontario and British Columbia — Effective July 1, 2010

The 2009 Ontario Budget proposed a harmonized sales tax (HST), which would come into effect on July 1, 2010. The HST in Ontario would be 13%, consisting of the 5% federal part and an 8% Ontario part.

The British Columbia (B.C.) Ministry of Finance issued a News Release proposing a harmonized sales tax (HST) which would also come into effect on July 1, 2010. In B.C., the HST would be 12%, consisting of the 5% federal part and a 7% B.C. part.

Details of these changes for Ontario and British Columbia can be found on the Canada Revenue Agency's (C.R.A.) web site at: <http://www.cra-arc.gc.ca/E/pub/gj/notice247/notice247-e.pdf>

PCLaw version 10 Service Pack 4, slated for release in June, will include functionality for the implementation of HST in Ontario and British Columbia.

This functionality will charge entries dated prior to July 1 at the old tax rate and all entries dated July 1 or later at the HST rate. The 90% rule is not built into PCLaw and will be a manual process for all affected customers.

All existing customers in Ontario and B.C. will need to manually update their billing templates to replace the term GST with HST. Instructions to effect this change will be posted on our web site at: www.lexisnexis.ca/pclaw

Customers who are not on PCLaw version 10SP4 will need to manually update PCLaw for HST. Instructions to effect this change will be posted on our web site at: www.lexisnexis.ca/pclaw

Nova Scotia — Effective July 1, 2010

The 2010 Budget proposed a harmonized sales tax (HST) rate increase, which would come into effect on July 1, 2010. The HST for Nova Scotia would increase from 13% to 15%.

Details of this change can be found on the Government of Nova Scotia's web site at: http://www.gov.ns.ca/finance/site-finance/media/finance/NS_Trans_Rules_HST_Increase2010.pdf

All existing PCLaw customers in Nova Scotia will need to manually update their PCLaw system for the HST rate change. Instructions to effect this change in PCLaw will be posted on our web site at: www.lexisnexis.ca/pclaw