

Date: August 29, 2011

Please deliver the following pages to:

Name: The Honourable Flaherty
Minister of Finance

Branch/Company: Department of Finance Canada

Phone Number:

FAX Number: 613-992-8320

From:

- Peter Milburn, Deputy Minister
- Doug Foster, Director, Strategic Initiatives
- Shelley MacLean, Manager, Executive Operations
- Maureen Pemberton, Senior Executive Assistant
- ✗ Lisa Freeman, Administrative Coordinator

Phone Number: 250 387-1660

FAX Number: 250 387-1655

Number of pages Transmitted (including cover page) 3

Good day,
Original to follow by Canada Post.



August 23, 2011

250392

The Honourable James M. Flaherty, PC, MP
Minister of Finance
Department of Finance Canada
140 O'Connor Street
Ottawa ON K1A 0G5

Dear Minister Flaherty:

I am writing to convey the intention of the Government of British Columbia to honour the results of the recent referendum, as announced today by Elections BC, with respect to the Harmonized Sales Tax (HST) in British Columbia.

Based on the results of the referendum, the HST in British Columbia will be extinguished and the Provincial Sales Tax (PST) will be reinstated as quickly as reasonably possible.

The target for completion of the transition is 18 months. During this period, the provincial portion of the HST will remain in place at seven per cent. After the transition, the PST will be reinstated at seven per cent with all permanent PST exemptions. The Province may make some administrative improvements to streamline the PST.

As the HST is a federal tax, I respectfully request the full cooperation of your Department in enacting the legislative changes and other activities needed to extinguish the HST in British Columbia, including a process for British Columbia to exit the Comprehensive Integrated Tax Coordination Agreement (CITCA).

With respect to the development of federal transitional rules for the HST, please be assured that my officials are available to provide your officials with all information and assistance necessary to help complete this important part of the transition.

Thank you for your ongoing support in administering the HST in British Columbia in the interim until the PST is re-implemented. I look forward to our meeting in September to discuss the components of the transition, including repayment terms of the transitional assistance provided to British Columbia for harmonization.

Sincerely,

Kevin Falcon
Minister and Deputy Premier

cc: Honourable Christy Clark
Premier

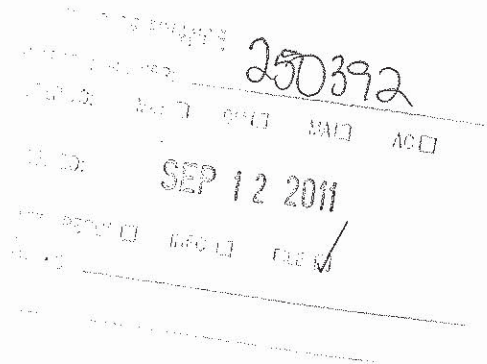


Ottawa, Canada K1A 0G5

2011FIN355101

SEP 06 2011

Ms. Alison Hougham
Administrative Assistant to
The Honourable Kevin Falcon, M.L.A.
Minister of Finance and Deputy Premier
Government of British Columbia
P.O. Box 9048, Stn Prov Gov't
Victoria, BC V8W 2E9



Dear Mr. Hougham:

On behalf of the Minister of Finance, the Honourable James M. Flaherty, I acknowledge receipt of the Honourable Kevin Falcon's correspondence of August 23, 2011.

I will ensure that Minister Falcon's correspondence is brought to the Minister's attention as soon as possible.

In the meantime, should you have any questions or wish to enquire as to the status of your correspondence, please do not hesitate to contact me directly at 613.996.7861 or John.Casselmann@fin.gc.ca.

Sincerely,

John Casselman
Special Assistant, Caucus Affairs



Department of Finance
Canada

Ministère des Finances
Canada

Ottawa, Canada
K1A 0G5

August 15, 2011

Mr. Peter Milburn
Deputy Minister of Finance
Government of British Columbia
Room 109 – Douglas Building
617 Government Street
Victoria, British Columbia V8V 1X4



Dear Mr. Milburn:

Under the authority of the *Comprehensive Integrated Tax Coordination Agreement*, this is to advise you of the weekly payments of the Harmonized Sales Tax (HST) transfer due for the final payment of August 2011 and the first 3 payments of September 2011.

The payments will be deposited in your account at the Canadian Imperial Bank of Commerce to the credit of the Province of British Columbia. Details are as follows:

Due: August 24

2011 Current Gross HST Amount	\$154,534,149.47
Less: 2011 Provincial Rebates	(\$28,392,965.62)
Less: 2011 Transitional Measures	(\$7,892,719.37)
Plus: 2010 Prior Year Payment Adjustment	\$137,224.55
	<u>\$118,385,689.03</u>

Due: September 1

2011 Current Gross HST Amount	\$154,534,149.47
Less: 2011 Provincial Rebates	(\$28,392,965.62)
Plus: 2010 Prior Year Payment Adjustment	\$137,224.55
	<u>\$126,278,408.40</u>

Due: September 9

2011 Current Gross HST Amount	\$154,534,149.47
Less: 2011 Provincial Rebates	(\$28,392,965.62)
Plus: 2010 Prior Year Payment Adjustment	\$137,224.55
	<u>\$126,278,408.40</u>

Canada

Due: September 16

2011 Current Gross HST Amount	\$154,534,149.47
Less: 2011 Provincial Rebates	(\$28,392,965.62)
Plus: 2010 Prior Year Payment Adjustment	\$137,224.55
	<hr/>
	\$126,278,408.40
	<hr/>

If you have any questions, please contact me at (613) 996-6658.

Yours sincerely,



Bill Chandler

Senior Chief

Economic Analysis and Revenue Allocation

Tax Policy Branch, Sales Tax Division

c.c.: Mr. Glen Armstrong
Ms. Elizabeth Cole
Mr. Dave Riley
Mme. Marie-Josée Roy

Harper, Paula W FIN:EX

From: Williams, Kelly [Kelly.Williams@cra-arc.gc.ca]
Sent: Wednesday, August 3, 2011 11:39 AM
To: Harper, Paula W FIN:EX
Cc: Halle, Jacqueline; Ethier, Mireille
Subject: Canada Revenue Agency Communications Products Review
Attachments: 1Advance Notice.doc; 2a Commisioner Letter to Employees_v2.doc; 2b Commisioner Letter to Employees.doc; 3 Msg to Mgrs.doc; 4a Key Msgs to Mgrs v2.doc; 4b Key Msgs to Mgrs v2.doc; 5a Qs and As v2.doc; 5b Qs and As v2.doc; 7a Telephone Enquiry_v2.doc; 7b Telephone Enquiry.doc

Importance: High
Sensitivity: Confidential

Good afternoon Paula ,

As a follow up to recent telephone conversation, attached are the Canada Revenue Agency (CRA) communications products for your review. These products provide general messaging to CRA employees as an initial response to either outcome of the British Columbia Harmonized Sales Tax Referendum. Also included are the Telephone Enquiry scripts for our business and technical enquiry lines. Products 1 and 3 relate to both a 'yes' or 'no' outcome. While 2a, 4a, 5a and 7a relate to a 'yes' outcome while all others: 2b, 4b, 5b and 7b are for a 'no' result.

The products are:

- 1 - Advance Notice for Managers (that an announcement is forthcoming)
- 2 - Letter from the CRA Commissioner to all employees
- 3 - Message to Managers (following the announcement with a link to more information)
- 4 - Key Messages to Managers
- 5 - Frequently Asked Questions and Answers
- 7 - Telephone Enquiry Scripts

Our understanding is that Elections BC will announce the referendum result in late August/early September which will be followed by a response by the Government of BC. We see these products being rolled out to our employees after the Government of BC has had an opportunity to respond.

We have not yet shared these products with our Commissioner or Minister so we ask that you not share them too widely at this time. We would appreciate it if you could have any comments back to us by end of day tomorrow, Thursday, August 4, 2011. I apologize for the very short turnaround time, however, following the various approval stages here, we would like to have all products to our Commissioner by Tuesday of next week.

I will send you the password to unlock each of the products in a separate email.

If you have any questions or would like to discuss this further, please do not hesitate to give me a call.

Thanks!
Kelly

Kelly Williams

Manager | Gestionnaire
Project Management Office | Bureau de gestion de projet
Provincial Sales Tax Administration Reform | Réforme de l'administration de la taxe de vente provinciale
Strategy and Integration Branch | Direction générale de la stratégie et de l'intégration
Canada Revenue Agency | Agence du revenu du Canada
410 rue Laurier Ave, 4-79, Ottawa, Ontario K1A 0L5

*All 10 attached
documents
are CRA
documents*

Telephone | Téléphone 613-948-5155
Facsimile | Télécopieur 613-960-5700

Provincial Sales Tax Administration Reform

British Columbia Harmonized Sales Tax Referendum Results

MG Mailing List (Managers' Corner)

The result of the Harmonized Sales Tax Referendum in British Columbia will soon be announced. The result and a link to various communication tools on the Provincial Sales Tax Administration Reform web site will be posted to *Spotlight On!* in the very near future.

‘Yes’ Result – Revert Back to GST/PST

Message from the Commissioner

The British Columbia Harmonized Sales Tax Referendum Result

In July 2011, a province-wide referendum was held in British Columbia to decide whether or not to rescind the Harmonized Sales Tax (HST) and restore the Provincial Sales Tax (PST) in conjunction with the Goods and Services Tax (GST). By now you will have learned the outcome of the HST referendum. The “yes” vote means that voters in British Columbia have chosen to terminate the HST.

Discussions and negotiations between the federal government, the province and other stakeholders will need to occur to transition from the HST to the PST and GST. Until more information is known, the Canada Revenue Agency (CRA) will continue to administer the HST in British Columbia.

The CRA has a well-earned reputation for getting things done and I know that I can count on your continued professionalism and support as we enter into this next HST-related initiative. As the Agency prepares for the transition, we remain committed to communicating openly and will continue to share information.

For up-to-date information on the HST in British Columbia, please visit our InfoZone site at **Provincial Sales Tax Administration Reform (PSTAR)**.

Linda Lizotte-MacPherson
Commissioner

Page 11 redacted for the following reason:

s.13, s.16,

Provincial Sales Tax Administration Reform

British Columbia Harmonized Sales Tax Referendum Results

MG Mailing List (Managers' Corner)

The result of the Harmonized Sales Tax Referendum in British Columbia has been announced. You will find more information about the announcement, and various communication tools that will help inform you and your employees on the **Provincial Sales Tax Administration Reform (PSTAR) InfoZone** site.

Provincial Sales Tax Administration Reform

British Columbia Harmonized Sales Tax Referendum Results (Yes Vote)

Key Messages to Managers

The outcome of the Harmonized Sales Tax (HST) Referendum in British Columbia (BC) has been announced. This "Yes" vote means that the HST will be terminated in BC, and that the province will be returning to the Provincial Sales Tax (PST) and the Goods and Services Tax (GST).

The following key messages will assist you in responding to questions that you may receive:

- The Canada Revenue Agency (CRA) will continue to administer the HST in BC while a process for the transition back to the PST is developed by the province of BC, the Department of Finance, the CRA, and other stakeholders
- It will take time and significant effort to transition back from the HST, as it took time and significant effort to transition to the HST

s.16

- The CRA and the province of BC will need to discuss the impact that the referendum result will have and what steps will be required to transition back from the HST to the PST/GST

s.16

- Thank you for the continued professionalism and focus on business activities over the referendum period

Page 14 redacted for the following reason:

s.13, s.16

CRA Document

Provincial Sales Tax Administration Reform

British Columbia Harmonized Sales Tax Referendum Results (Yes Vote)

FAQS

1. What does the "Yes" vote mean to Canada Revenue Agency (CRA)?

This result means that the Harmonized Sales Tax will be terminated in British Columbia, and that the province will be returning to the Provincial Sales Tax (PST) and the Goods and Services Tax (GST).

2. What happens now?

It will take significant time and effort to transition from the HST. The process will involve discussions between the provincial government, the Department of Finance, and other stakeholders, including the CRA.

3.

4.

s.16

5. When will we know more?

It will take significant time and effort to transition from the HST.

s.16

6.

s.16

7.

s.16

Page 17 redacted for the following reason:

s.13, s.16

Provincial Sales Tax Administration Reform

British Columbia Harmonized Sales Tax Referendum Results (Yes Vote)

Harmonized Sales Tax Referendum in British Columbia

On *Month Day*, 2011, Elections BC announced that British Columbians have voted in favour of terminating the Harmonized Sales Tax (HST).

This means that for the time being it will be business as usual for the Canada Revenue Agency (CRA) regarding the administration of the HST in British Columbia (BC). Over the coming months, the CRA will continue to work with the Department of Finance and Government of BC on the administrative details for the termination of the HST in BC.

In the meantime, please do not engage in speculative discussions with callers regarding the steps the Government of BC may take following the referendum.

For additional information callers should be referred to the BC Ministry of Finance at <http://www.gov.bc.ca/fin/>

Page 19 redacted for the following reason:

s.13, s.16

Banning, Kathy FIN:EX

From: Khaira, Kirn FIN:EX
Sent: Friday, August 26, 2011 12:28 PM
To: 'O'Brien, Cary'
Subject: RE: HST Referendum Results

Cary,

Here is the press release from the Minister. I will send the rest of the documents as I obtain them.

http://www2.news.gov.bc.ca/news_releases_2009-2013/2011FIN0067-001048.pdf

Regards,

Kirn S. Khaira, MPA, CGA

Manager, Intergovernmental Relations
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Ministry of Finance
(250) 356-2214

From: O'Brien, Cary [mailto:Cary.O'Brien@cra-arc.gc.ca]
Sent: Friday, August 26, 2011 11:25 AM
To: Khaira, Kirn FIN:EX
Subject: RE: HST Referendum Results

Thanks Kirn! Do you mind sending me the final version of the staff and key stakeholder documents.

Cary

From: Khaira, Kirn FIN:EX [mailto:Kirn.Khaira@gov.bc.ca]
Sent: August 26, 2011 2:23 PM
To: Bennett, CatherineHQ
Cc: Ethier, Mireille; O'Brien, Cary; Phelan, Maureen; Graham, Tom; Harper, Paula W FIN:EX
Subject: HST Referendum Results

On behalf of Elan Symes, Assistant Deputy Minister, Revenue Programs Division, Ministry of Finance

Good morning Catherine,

As you will be aware, the outcome of the HST referendum was a "yes" vote, supporting extinguishing the HST and returning to a PST and the GST. We will be proceeding with our staff and key stakeholder communications that you have already reviewed.

The Ministry of Finance has established a website where the public will be able to receive updated information as it becomes available: <http://www.gov.bc.ca/fin/>

We will be in touch soon.

Please contact Paula Harper at 250-387-3968 if you have any questions.

Regards,

Kirn S. Khaira, MPA, CGA

Manager, Intergovernmental Relations
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Ministry of Finance
(250) 356-2214

Harper, Paula W FIN:EX

From: Williams, Kelly [Kelly.Williams@cra-arc.gc.ca]
Sent: Friday, August 12, 2011 5:50 PM
To: Harper, Paula W FIN:EX
Subject: Re: CRA Communications Products

Will do!! Thanks Paula!!

Sent from my BlackBerry handheld.
Envoyé à partir de mon BlackBerry.

From: Harper, Paula W FIN:EX [mailto:Paula.Harper@gov.bc.ca]
Sent: Friday, August 12, 2011 05:04 PM
To: Williams, Kelly
Subject: RE: CRA Communications Products

Hi Kelly

s.16, ~~the~~ Background, second paragraph, makes reference to "a majority of British Columbians have voted "Yes" – please consider

a majority of British Columbians who voted, voted "Yes"...

6A: A typo in the first key message - ...any inquiries on the referendum result

Includes feedback from our Minister's Chief Communications Officer.

Have a great weekend!
Paula

From: Williams, Kelly [mailto:Kelly.Williams@cra-arc.gc.ca]
Sent: Thursday, August 11, 2011 11:47 AM
To: Harper, Paula W FIN:EX
Subject: CRA Communications Products
Importance: High

*Both attached
documents are
CRA documents*

Hi Paula,

As discussed, here are our Media Lines in response to the BC HST Referendum. In order to meet our internal approval timelines, would you be able to provide comments by tomorrow? These documents have been reviewed and signed off by the federal Department of Finance.

s.15

Thanks!
Kelly

The Harmonized Sales Tax in British Columbia Referendum Initiative

Date of
Referendum
Result
Announcement

Canada Revenue Agency
MEDIA LINES

For use by CRA spokespersons only

BACKGROUND

In July 2011, a province-wide referendum was held in British Columbia (BC). The referendum question was:

“Are you in favour of extinguishing the HST (Harmonized Sales Tax) and reinstating the PST (Provincial Sales Tax) in conjunction with the GST (Goods and Services Tax)?”

Yes or No

On (Referendum Announcement Day), Elections BC announced that a majority of British Columbians have voted “Yes”.

KEY MESSAGES

- The HST referendum process is set out according to provincial law, so any inquiries on referendum result should be directed to the Government of British Columbia.
- The Department of Finance Canada is responsible for negotiating federal-provincial tax agreements on behalf of the federal government. Should the Government of British Columbia formally signal its intention to eliminate the HST, the Canada Revenue Agency will work with the Department of Finance and Government of British Columbia to identify the administrative steps and processes necessary to facilitate the province’s transition out of the HST. All inquiries relating to the status of federal-provincial tax agreements, including the Canada-British Columbia sales tax harmonization agreement, should be directed to the Department of Finance Canada.
- The Canada Revenue Agency will continue to administer the HST in British Columbia until the province has communicated details on how it will proceed. HST registrants conducting business in British Columbia must continue to collect and report the HST without exception.

6A – Media Lines – ‘Yes’ Vote

<i>Prepared by :</i> Sahil Behal Technical Policy Advisor, Provincial Sales Tax Administration Reform Strategy and Integration Branch 613-948-1529	<i>In consultation with :</i> Kelly Williams Manager, Provincial Sales Tax Administration Reform Strategy and Integration Branch 613-948-5515	<i>Approved by:</i> Catherine Bennett Assistant Commissioner Strategy and Integration Branch 613-952-3660 Sandra Lavigne Assistant Commissioner Public Affairs Branch 613-957-3508
<i>Designated Spokesperson:</i> Noël Carisse		

Pages 25 through 26 redacted for the following reasons:

s.13, s.16

Banning, Kathy FIN:EX

From: Khaira, Kirn FIN:EX
Sent: Friday, August 26, 2011 2:15 PM
To: 'O'Brien, Cary'
Subject: FW: HST Referendum Result

Kirn S. Khaira, MPA, CGA

Manager, Intergovernmental Relations
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Ministry of Finance
(250) 356-2214

From: MacLean, Shelley FIN:EX **On Behalf Of** Milburn, Peter R FIN:EX
Sent: Friday, August 26, 2011 2:13 PM
Subject: HST Referendum Result

As you are probably now aware, the result of the HST referendum has been announced. The result was a 'yes' vote, which means that the HST will be extinguished and the Province will be returning to a PST and GST tax system.

Given the result, the implementation of a PST will be a priority for the ministry. There is a project team in place to coordinate this work and ensure the implementation is completed in the most efficient and timely manner possible. And, employees from across the ministry will be contributing to this project. As work progresses, information about the project, related resources and links will be posted on our [PST intranet site](#).

The transition period is expected to take a minimum of 18 months, consistent with the report of the independent panel on the HST.

For more information on the HST referendum result, please click [here](#).

Sincerely,

Peter Milburn
Deputy Minister
Ministry of Finance

MINISTRY OF FINANCE: *Trusted financial and economic leadership for a prosperous province*

This email will be posted on our Ministry intranet site at [Messages from the DM](#).

Banning, Kathy FIN:EX

From: Khaira, Kirn FIN:EX
Sent: Friday, August 26, 2011 11:27 AM
To: 'Steven.Tennant@cbsa-asfc.gc.ca'
Cc: Harper, Paula W FIN:EX
Subject: HST Referendum Results

On behalf of Elan Symes, Assistant Deputy Minister, Revenue Programs Division, Ministry of Finance

Steven,

As you will be aware, the outcome of the HST referendum was a "yes" vote, supporting extinguishing the HST and returning to a PST and the GST. As a key impacted stakeholder, we wanted to confirm what this means for your role in administering the HST.

It will take some time to transition from the HST back to a PST and the GST. There are numerous negotiations, consultations and other preparation work that will have to be undertaken before a transition occurs. Therefore, at this time, we do not know what the effective date of a PST will be. Until the PST is implemented, the HST remains in effect.

We will engage with you once we have more information and will keep you informed as we move through the transition process.

Thank you for your continued work with us and for your patience as we move forward with this new direction.

Regards,

Kirn S. Khaira, MPA, CGA

Manager, Intergovernmental Relations
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Ministry of Finance
(250) 356-2214

Harper, Paula W FIN:EX

From: Williams, Kelly [Kelly.Williams@cra-arc.gc.ca]
Sent: Thursday, August 11, 2011 1:42 PM
To: Harper, Paula W FIN:EX
Cc: Ethier, Mireille
Subject: RE: Follow Up To Discussion

Hi Paula,

s.16

Thanks!
Kelly

From: Harper, Paula W FIN:EX [mailto:Paula.Harper@gov.bc.ca]
Sent: August 10, 2011 03:11 PM
To: Williams, Kelly
Subject: RE: Follow Up To Discussion
Importance: High

Hi Kelly,

s.16

s.16

Thank you
Paula

Not Responsive

Banning, Kathy FIN:EX

From: O'Brien, Cary [Cary.O'Brien@cra-arc.gc.ca]
Sent: Friday, August 26, 2011 2:23 PM
To: Khaira, Kirn FIN:EX
Subject: RE: Results of the HST referendum

Thanks again!

Cary

From: Khaira, Kirn FIN:EX [<mailto:Kirn.Khaira@gov.bc.ca>]
Sent: August 26, 2011 5:15 PM
To: O'Brien, Cary
Subject: FW: Results of the HST referendum

Kirn S. Khaira, MPA, CGA
Manager, Intergovernmental Relations
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Ministry of Finance
(250) 356-2214

From: Baltes, Janet FIN:EX
Sent: Friday, August 26, 2011 2:15 PM
To: FIN REV RPD All; FIN REV RMO All; FIN REV TAAS STAFF
Cc: Milburn, Peter R FIN:EX; MacLean, Shelley FIN:EX; Foster, Doug FIN:EX; Selbee, Donna FIN:EX; Jones, Elaine F FIN:EX; Baltes, Janet FIN:EX; Parkinson, Pat A FIN:EX; Edwardson, Jamie GCPE:EX; Frenette, Leona FIN:EX; Kowalewsky, Sheila J FIN:EX
Subject: Results of the HST referendum

Good afternoon,

By now you will have learned the outcome of the HST referendum. A "yes" vote means the HST will be extinguished and we will be returning to a PST and GST tax system.

To support the work that will be led out of our divisions, Elan Symes will be Revenue Lead, and Jordan Goss, Executive Director, Consumer Taxation Programs Branch will be temporarily reassigned as Project Director until a full-time Project Director has been confirmed. A Steering Committee composed of senior leaders and Working Groups supported by subject matter experts will assist Elan to deliver on this project.

Information about the transition project, related resources and links will be posted on our PST intranet site.

If you have any questions, please send them to SHR.Programs@gov.bc.ca. As it is likely other employees will have the same questions, we will post the answers on our intranet once we have the information to provide a response.

Thank you for your patience and professionalism as this process unfolds.

Elan Symes Assistance Deputy Minister Revenue Programs Division	Janet Baltes Assistant Deputy Minister Revenue Services Division
---	--

Banning, Kathy FIN:EX

From: Khaira, Kirn FIN:EX
Sent: Friday, August 26, 2011 11:23 AM
To: 'CatherineHQ.Bennett@cra-arc.gc.ca'
Cc: 'Ethier, Mireille'; 'O'Brien, Cary'; 'Maureen.Phelan@cra-arc.gc.ca'; 'Graham, Tom'; Harper, Paula W FIN:EX
Subject: HST Referendum Results

On behalf of Elan Symes, Assistant Deputy Minister, Revenue Programs Division, Ministry of Finance

Good morning Catherine,

As you will be aware, the outcome of the HST referendum was a "yes" vote, supporting extinguishing the HST and returning to a PST and the GST. We will be proceeding with our staff and key stakeholder communications that you have already reviewed.

The Ministry of Finance has established a website where the public will be able to receive updated information as it becomes available: <http://www.gov.bc.ca/fin/>

We will be in touch soon.

Please contact Paula Harper at 250-387-3968 if you have any questions.

Regards,

Kirn S. Khaira, MPA, CGA
Manager, Intergovernmental Relations
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Ministry of Finance
(250) 356-2214

Harper, Paula W FIN:EX

From: Harper, Paula W FIN:EX
Sent: Wednesday, August 3, 2011 4:01 PM
To: 'Bennett, CatherineHQ'
Cc: Symes, Elan C FIN:EX; 'O'Brien, Cary'; 'Kelly Williams'; 'Ethier, Mireille'
Subject: s.16

Good afternoon Catherine,

As a follow up to your recent telephone conversation with Elan,

s.16

s.16

I've taken the liberty of copying Cary O'Brien and Kelly Williams, and I will be pleased to continuing working on this document with them in advance of your next meeting/telephone call with Elan on August 17th.

If you have any questions, please let me know.

Paula

s.16

Paula Harper, CGA

Executive Director and Commissioner of Income Tax
Ministry of Finance
Tel: 250 387-3968 Fax: 250 356-9243
<mailto:Paula.Harper@gov.bc.ca>

VISION: Trusted financial and economic leadership for a prosperous province

Warning: This communication is intended for the use of the recipient to which it is addressed and may contain confidential, personal, and/or privileged information. Please contact me immediately if you are not the intended recipient of this communication and do not copy or distribute it. Any communication received in error should be deleted or destroyed.

Pages 35 through 36 redacted for the following reasons:

s.16

Andric, Olivera K FIN:EX

From: Tremblay, Pierre [Pierre.Tremblay2@cra-arc.gc.ca]
Sent: Thursday, August 11, 2011 7:08 AM
To: Roy, Marie Josee FIN:EX; Langen, Brent
Cc: Pasquotti, Ric I FIN:EX; CSBD-SEDM_Statistics
Subject: BC Transitional Measures - Breakdown
Attachments: BC Transitional Measure Aug 2011.xls

Bonjour Marie-Josée,

Here is the data for August.

Pierre Tremblay

Chief GST/HST & Excise | Chef TPS/TVH et accise
Statistical Operation | Opérations statistiques
Statistics & Information Management Directorate | Direction de la statistique et de la gestion de l'information
Canada Revenue Agency | Agence du revenu du Canada
410 Laurier Ave. West, Ottawa ON K1A 0L5 | 410, av. Laurier Ouest, Ottawa ON K1A 0L5
Pierre.Tremblay2@cra-arc.gc.ca
Telephone | Téléphone 613-954-8747
Facsimile | Télécopieur 613-952-5381
Government of Canada | Gouvernement du Canada

BC Transitional Measures

as of August 8th 2011

BC Transitional Housing Rebate (RL 55753)

Report*	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Unknown	Total
Report*	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Unknown	Total
Aug-10	44,125	-	-	-	-	-	-	-	-	-	-	-	-	-	44,125
Sep-10	1,386,205	132,723	-	-	-	-	-	-	-	-	-	-	-	-	1,528,927
Oct-10	1,481,213	352,411	28,653	-	-	-	-	-	-	-	-	-	-	-	1,863,277
Nov-10	835,773	221,613	342,136	-	-	-	-	-	-	-	-	-	-	-	1,399,522
Dec-10	1,335,969	605,598	783,018	400,551	-	-	-	-	-	-	-	-	-	-	3,135,037
Jan-11	1,437,747	1,025,573	584,939	881,027	892,037	52,890	73,875	-	-	-	-	-	-	-	4,874,213
Feb-11	1,166,080	327,777	296,651	1,192,061	415,841	681,009	540,084	45,883	-	-	-	-	-	-	4,164,294
Mar-11	851,410	248,025	515,092	725,511	292,428	329,832	329,832	45,883	27,058	-	-	-	-	-	3,591,400
Apr-11	292,102	239,543	893,264	915,914	292,428	254,537	83,876	68,029	274,705	488,817	15,262	22,894	-	-	3,331,716
May-11	1,401,331	144,807	308,173	65,321	474,557	177,077	185,831	327,173	458,132	579,567	485,376	22,894	-	-	3,015,052
Jun-11	584,680	28,703	179,036	213,393	238,061	238,061	238,061	418,155	2,136,701	1,078,384	500,638	-	-	-	7,987,516
Jul-11	530,139	474,078	263,728	354,652	285,316	536,463	319,831	1,977,753	2,887,595	-	-	-	-	-	36,082,828
Aug-11	11,356,653	3,889,686	4,154,367	4,714,084	2,882,078	2,278,820	1,449,819	2,837,998	-	-	-	-	-	-	-

BC Transitional Housing Tax(RL 67504)

Report*	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Unknown	Total
Report*	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Unknown	Total
Aug-10	5,603	-	-	-	-	-	-	-	-	-	-	-	-	-	5,603
Sep-10	146,217	10,875	-	-	-	-	-	-	-	-	-	-	-	-	168,092
Oct-10	68,477	181,574	-	-	-	-	-	-	-	-	-	-	-	-	257,151
Nov-10	22,846	-	1,037,699	28,250	-	-	-	-	-	-	-	-	-	-	1,069,735
Dec-10	750,348	-	35,028	1,765,370	-	-	-	-	-	-	-	-	-	-	2,559,746
Jan-11	-	-	18,202	46,011	1,219,516	23,876	-	-	-	-	-	-	-	-	1,307,605
Feb-11	-	-	-	10,560	73,484	430,249	89,497	-	-	-	-	-	-	-	514,283
Mar-11	-	-	5,690	-	-	470,573	186,810	43,774	8,846	-	-	-	-	-	575,769
Apr-11	89,072	-	-	-	-	28,728	27,203	27,396	828,644	682	-	-	-	-	357,330
May-11	-	-	-	-	-	48,478	-	-	62,621	444,959	-	-	-	-	832,483
Jun-11	-	-	3,118	-	-	15,240	-	-	26,250	23,872	527,348	-	-	-	520,001
Jul-11	-	-	13,988	5,858	-	444	-	-	1,368	352,759	2,056,194	6,875	-	-	2,328,302
Aug-11	-	34,592	5,988	5,564	-	-	-	-	875,630	822,298	2,583,542	6,875	-	-	4,766,841
Aug-11	1,094,562	239,141	1,101,439	1,848,486	1,283,000	1,077,598	305,601	1,819,612	-	-	-	-	-	-	15,376,752

Recapture Input Tax Credit - BC (RL 67509)

Report*	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Unknown	Total
Report*	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Unknown	Total
Aug-10	174,854	-	-	-	-	-	-	-	-	-	-	-	-	-	206,185
Sep-10	2,387,401	327,397	-	-	-	-	-	-	-	-	-	-	-	-	3,775,087
Oct-10	918,228	5,285,592	480,383	1,574	-	-	-	-	-	-	-	-	-	-	6,688,757
Nov-10	208,344	383,975	5,328,325	3,040,110	-	-	-	-	-	-	-	-	-	-	8,959,254
Dec-10	410,399	139,814	859,872	8,262,308	-	-	-	-	-	-	-	-	-	-	10,486,488
Jan-11	5,864	81,697	463,950	854,555	827,588	9	102	-	-	-	-	-	-	-	6,413,853
Feb-11	83,302	142,875	182,150	228,644	1,209,621	8,191,536	688,883	539,693	-	-	-	-	-	-	11,486,112
Mar-11	110,208	240,468	436,388	454,880	721,547	1,420,146	7,894,460	-	586,364	66	-	-	-	-	11,835,842
Apr-11	53,786	125,474	354,169	141,551	129,860	168,704	423,625	7,307,771	8,396,419	540,401	-	-	-	-	8,261,546
May-11	22,398	157,273	191,493	211,004	162,343	316,783	35,414	350,146	838,143	7,542,178	692,831	-	-	-	8,370,569
Jun-11	202,462	86,823	178,214	110,777	52,768	112,220	151,386	108,828	216,013	423,800	7,131,896	540,922	-	-	8,683,894
Jul-11	94,862	124,579	136,362	335,640	125,251	107,795	129,731	205,968	55,274	49,419	370,623	625,602	-	-	7,215,564
Aug-11	75,807	138,862	388,673	107,376	74,150	83,261	16,362	55,274	10,086,269	8,555,694	8,195,650	7,437,137	-	-	103,622,043
Aug-11	3,896,235	6,467,551	7,761,167	13,120,158	8,076,176	10,294,066	8,107,343	8,319,468	-	-	-	-	-	-	-

*: Reports include data from the 9th of the previous month to the 8th of the month.

Source: Revenue Ledger.

BC Foregone PVAT

Report	Reporting Period												Total		
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11		Jul-11	Unknown
Jul-10	2,537,442														2,581,161
Aug-10	2,143,231	43,719													2,443,053
Sep-10	280,387	289,822													2,479,880
Oct-10	3,449,807	131,466													8,018,877
Nov-10	85,027	342,769	2,031,344	28,473											4,731,532
Dec-10	65,027	883,287	883,287	3,232,764											4,731,532
Jan-11	132,089	388,127	472,026	485,298	3,311,084										1,409,947
Feb-11	65,804	204,563	49,448	254,465	654,971	174,409									1,415,270
Mar-11	75,328	88,955	67,496	79,911	82,189	1,125,157	105,352								615,334
Apr-11	86,116	45,250	186,577	206,950	19,139	148,652	84,480	162,020							843,957
May-11	76,131.39		47,252	113,888	74,548	96,483	80,084	469,829	137,122						2,957,791
Jun-11	122,038	9,940		15,153.75	286,861.24	27,524.33	8,129.10	678,791.65	589,828.80	1,275,250.09					11,807,407
Jul-11	9,046,506	1,555,631	3,922,397	4,440,440	23,148	174,724	77,320	6,148,834	444,447	5,343,146	445,703				38,463,808
					4,468,081	1,747,951		7,135,634	897,154	6,618,396	445,703				

Source: CRA Foregone PVAT Report

Andric, Olivera K FIN:EX

From: Tremblay, Pierre [Pierre.Tremblay2@cra-arc.gc.ca]
Sent: Friday, September 9, 2011 11:05 AM
To: Tremblay, Pierre; Roy, Marie Josee FIN:EX; Langen, Brent
Cc: Pasquotti, Ric I FIN:EX; CSBD-SEDM_Statistics
Subject: BC Transitional Measures - Breakdown
Attachments: BC Transitional Measure Sep 2011.xls

Bonjour Marie-Josée,

Here is the data for September.

Pierre Tremblay

Chief GST/HST & Excise | Chef TPS/TVH et accise
Statistical Operation | Opérations statistiques
Statistics & Information Management Directorate | Direction de la statistique et de la gestion de l'information
Canada Revenue Agency | Agence du revenu du Canada
410 Laurier Ave. West, Ottawa ON K1A 0L5 | 410, av. Laurier Ouest, Ottawa ON K1A 0L5
Pierre.Tremblay2@cra-arc.gc.ca
Telephone | Téléphone 613-954-8747
Facsimile | Télécopieur 613-952-5381
Government of Canada | Gouvernement du Canada

BC Transitional Measures
as of September 30, 2011

BC Transitional Housing Rebate (RL 55753)

Report	Reporting Period	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Total
Jul-10															
Aug-10		44,125													44,125
Sep-10		1,385,205	132,723												1,523,927
Oct-10		1,481,213	352,411	29,653											1,863,277
Nov-10		835,713	221,913	342,136											1,389,522
Dec-10		1,335,899	695,598	783,018											3,135,337
Jan-11		1,437,747	1,025,573	584,539	480,551										4,574,213
Feb-11		1,168,080	327,777	286,651	881,027	882,037	52,880								4,164,284
Mar-11		861,410	296,025	913,082	1,152,061	415,841	601,309	73,575	45,888						3,951,400
Apr-11		232,102	239,543	368,173	915,914	282,425	323,832	940,064	93,029	27,958					3,167,718
May-11		1,401,331	117,447	368,173	653,621	177,077	177,077	93,076	32,113	27,958					3,015,892
Jun-11		594,680	144,507	368,173	174,685	213,383	238,923	238,923	41,153	459,182					2,797,716
Jul-11		520,008	40,808	263,703	374,658	238,923	238,923	213,383	1,071,753	2,136,701	489,817	15,282			7,957,316
Aug-11		24,100	59,894	192,091	410,796	298,011	59,894	83,776	114,535	1,020,992	947,691	1,101,354	659,171	57,483	5,197,831
Sep-11		11,610,753	3,863,680	4,346,459	5,124,881	3,180,658	2,352,769	1,533,396	2,852,634	3,916,559	1,225,985	1,691,392	682,065	57,483	43,280,769
Total															

BC Transitional Housing Tax (RL 67504)

Report	Reporting Period	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Total
Jul-10															
Aug-10		5,603													5,603
Sep-10		148,217	16,875												165,092
Oct-10		69,477	187,674												257,151
Nov-10		22,845		1,037,639	28,250										1,086,735
Dec-10		759,348		35,028	1,765,370										2,559,746
Jan-11				18,202	46,011	1,219,516	23,876								1,307,605
Feb-11					10,590	73,484	430,249								614,289
Mar-11				5,690			470,573	59,487							575,760
Apr-11		89,072					28,728	186,810	43,774	8,948					357,330
May-11							48,478	27,293	27,396	828,644	692				932,493
Jun-11				3,119			15,240			62,921	444,559				520,001
Jul-11				13,986	5,858		444			26,250	23,872				2,328,302
Aug-11			34,592	5,958	5,564			7,988	1,748,442	1,353	352,756	527,348	2,388,307		4,795,641
Sep-11		1,094,552	62,888	5,011	1,948,486	7,398	643	4,538	4,978	13,794	6,988	2,056,194	82,943	1,351,817	14,081,422
Total															16,785,894

Recapture Input Tax Credit - BC (RL 67509)

Report	Reporting Period	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Unknown	Total
Jul-10																	
Aug-10		174,854														381,049	206,195
Sep-10		2,357,401	327,337													1,080,259	3,775,067
Oct-10		918,228	5,288,562	480,383	1,574												6,686,757
Nov-10		206,344	383,975	5,328,825	3,040,110												8,959,254
Total																	

Andric, Olivera K FIN:EX

From: Tremblay, Pierre [Pierre.Tremblay2@cra-arc.gc.ca]
Sent: Friday, August 12, 2011 12:59 PM
To: Roy, Marie Josee FIN:EX
Subject: RE: BC Transitional Measures - Breakdown

It is when the amount revised is lower than the initially approved amount. Once instance could be when the taxpayer made a mistake in his reporting period. The amount will be moved to the appropriate period (negative amount in the wrong period and a corresponding amount in the appropriate period). Another could be when a returns is cancelled and resubmitted (negative amount to cancel the initial return and a positive amount for the new one). Finally, any adjustments that would reduce the amount of RITCs.

Pierre

From: Roy, Marie Josee FIN:EX [mailto:MarieJosee.Roy@gov.bc.ca]
Sent: August 12, 2011 3:36 PM
To: Tremblay, Pierre
Subject: RE: BC Transitional Measures - Breakdown

Bonjour Pierre,

What creates negative adjustments to Recapture Input Tax Credit?

Marie-Josée

From: Tremblay, Pierre [mailto:Pierre.Tremblay2@cra-arc.gc.ca]
Sent: Thursday, August 11, 2011 7:08 AM
To: Roy, Marie Josee FIN:EX; Langen, Brent
Cc: Pasquotti, Ric I FIN:EX; CSBD-SEDM_Statistics
Subject: BC Transitional Measures - Breakdown

Bonjour Marie-Josée,

Here is the data for August.

Pierre Tremblay

Chief GST/HST & Excise | Chef TPS/TVH et accise
Statistical Operation | Opérations statistiques
Statistics & Information Management Directorate | Direction de la statistique et de la gestion de l'information
Canada Revenue Agency | Agence du revenu du Canada
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