

COR/2016/01968

## INFORMATION CIRCULAR

**To:** All Municipalities, Local Service Districts, Engineering and Architectural Consultants, Regional Service Boards and Inuit Community Governments

**Re:** Changes in Harmonized Sales Tax (HST) and Provincial Sale Tax (PST) Rebate to Municipal Infrastructure Projects

**Date:** June 21, 2016

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On July 1, 2016 the HST will increase from 13% to 15% which will impact the cost of ongoing municipal infrastructure projects. While the Department will not be making any adjustment to the total project budgets, the provincial funding allocation identified in funding approval letters and funding agreements will be maintained.

For all new municipal infrastructure projects approved after April 1, 2016, communities will be required to re-invest the provincial sales tax rebate into approved infrastructure projects similar to the requirement to reinvest the GST rebate. Applicable PST and GST rebates will be explicitly identified in future funding approval letters and funding agreement.

Questions regarding this circular can be directed to the appropriate **Regional Engineer/Office** listed below:

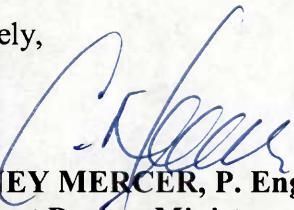
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Sincerely,

  
**CLUNNEY MERCER, P. Eng.**  
**Assistant Deputy Minister**  
**Municipal Infrastructure and Engineering Branch**

/jl

cc: Mr. Ian Duffett, P. Eng.  
cc: Mr. Ehsan Khan, P. Eng.  
cc: Mr. Denis Hickey  
cc: Mr. John O' Leary

cc: Regional Directors  
cc: Regional Managers  
cc: Regional Engineers  
cc: Mr. Dave Dewling, NLAA