

Consumer Taxes

TVQ. 135-1 Non-Degree Courses
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Reference(s): *An Act respecting the Québec sales tax* (R.S.Q., c. T-0.1), section 135

This bulletin is effective from July 1, 1992.

This bulletin clarifies the application of the *Act respecting the Québec sales tax* (AQST) in respect of certain non-degree courses given by educational institutions.

THE ACT

1. Section 135 of the AQST provides that a supply made by a school authority, public college or university of an educational service that consists in instructing individuals in, or administering an examination in respect of, a course is exempt where the service is part of a program that consists of two or more courses and is subject to the review of, and is approved by, the school authority, college or university.
2. However, section 135 specifies that the exemption does not apply to a supply of courses in sports, games, hobbies or other recreational pursuits that are designed to be taken primarily for recreational purposes.

APPLICATION OF THE ACT

3. Because the exemption pertains to courses and not to programs of instruction, an analysis of each course included in a program of instruction is required to determine the applicability of the exemption.
4. Even though a program of instruction is designed to be taken primarily for recreational rather than professional purposes, only the courses of the program that relate to sports, games, hobbies or other recreational pursuits are excluded from the exemption.
5. In other words, not all supplies of courses designed to be taken primarily for recreational purposes are excluded from the exemption—only supplies of courses in sports, games, hobbies or other recreational pursuits.

6. Thus an educational institution must determine, each session, whether each course included in the program of instruction is a course in sports, games, hobbies or other recreational pursuits, and whether it is designed to be taken primarily for recreational purposes.

7. For the same program of instruction, the supply of certain courses may be subject to QST whereas the supply of other courses may be exempt.

EXAMPLE

8. A university offers a continuing education program for seniors. The program includes courses in painting, singing, folk dancing, drawing, theatre, history, bioethics, literature, etc. The courses in painting, singing, dancing, drawing and theatre are courses in sports, games, hobbies or other recreational pursuits. An analysis shows that they are designed to be taken primarily for recreational purposes. The supply of these courses is therefore not exempt under section 135 of the AQST. On the other hand, the courses in history, bioethics and literature, although designed to be taken primarily for recreational purposes, are not courses in sports, games, hobbies or other recreational pursuits. Their supply is therefore exempt.