

## Consumer Taxes

TVQ. 386-2/R1      Private colleges that qualify for a partial Québec sales tax rebate within the context of a subsidy program

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Reference(s):      *An Act respecting the Québec sales tax* (R.S.Q., c. T-0.1), ss. 1, 383 and 386

*This version of interpretation bulletin TVQ. 386-2 supersedes the version of August 30, 1996. The bulletin was revised to take into account the amendments made to the definitions of “public college” and “selected public service body” and that apply after April 23, 1996, for the purposes of computing the partial rebate under section 386 of the Act respecting the Québec sales tax. In addition, some style changes were made to ensure technical accuracy.*

This bulletin explains how the *Act respecting the Québec sales tax* (AQST) applies in respect of the partial rebate of the Québec sales tax that may be claimed by certain private colleges.

### CONTEXT

1. Certain private colleges that provide educational services at the college level receive government or municipal subsidies.
2. In Québec, two types of private colleges dispense educational services at the college level:
  - (a) those that are accredited for purposes of subsidies by the Minister of Education, Recreation and Sports under the *Act respecting private education* (R.S.Q., c. E-9.1); and
  - (b) those that have been issued a permit by the Minister of Education, Recreation and Sports under the *Act respecting private education*.
3. Subject to certain conditions, a non-profit private college that is considered a public college within the meaning of section 1 of the AQST may be entitled to a partial rebate of the non-refundable input tax charged in respect of property or services that the college has purchased.

### THE ACT

4. Section 1 of the AQST defines a public college as
  - (a) a college governed by the *General and Vocational Colleges Act* (R.S.Q., c. C-29);

- (b) an institution that is accredited for purposes of subsidies for providing educational services at the college level under the *Act respecting private education*;
- (c) an organization that operates a post-secondary college or post-secondary technical institute, situated in Québec,
  - that receives from a government or a municipality funds that are paid for the purpose of assisting the organization in ongoing provision of educational services to the general public, and
  - the primary purpose of which is to provide programs of instruction in one or more fields of vocational, technical or general education.

5. Under section 383 of the AQST, a public college that is established and operated otherwise than for profit is a selected public service body.

6. Under section 386 of the AQST, a public college that is a selected public service body is entitled to a partial rebate of 47% of the non-refundable input tax charged in respect of property or a service, other than a prescribed property or service.

#### **APPLICATION OF THE ACT**

7. A private college that is accredited for purposes of subsidies for providing educational services qualifies for the partial rebate applicable to said college under section 386 of the AQST to the extent that the college is established and operated otherwise than for profit.

8. A private college to which the Minister of Education, Recreation and Sports has issued a permit to dispense educational services at the college level qualifies for the partial rebate provided for under section 386 of the AQST to the extent that the college meets the following conditions:

- it receives from a government or a municipality funds that are paid for the purpose of assisting the organization in ongoing provision of educational services to the general public;
- its primary purpose is to provide programs of instruction in one or more fields of vocational, technical or general education;
- it is established and operated otherwise than for profit.

#### **EXAMPLE**

9. A non-profit private college is authorized to dispense educational services at the college level. It is subsidized by the Gouvernement du Québec and provides courses to the general public on an ongoing basis. Its primary purpose is to provide programs of instruction at the college level.

This college is entitled to the partial rebate provided for under section 386 of the AQST.