



Newfoundland &
Labrador

HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

DIRECTIVE

Directive Number 2007 – 001

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| Effective Date: October 9, 2007 | Commission Minute: CM 2007 - 003 |
| Subject: Clarification of Rules - Harmonized Sales Tax (HST) | Reference: HOAMC Meeting, August 29, 2007 Agenda Item No.7 |
| Issued To: All Members of the House of Assembly; Comptroller General; Directors of Government Accounting, Professional Services and Internal Audit, OMSP, and Corporate Services; Office of the Auditor General; Office Managers of Government Caucus, Official Opposition Caucus, NDP Caucus; Director of Information Management; Assistant Deputy Clerk, Executive Council | Contact: Marlene Lambe Chief Financial Officer 729 – 2923 |

BACKGROUND

Subsection 14(3) of the *Members' Resources and Allowances Rules* states:

An allowance provided for in these rules shall include the harmonized sales tax as defined in the agreement of the Tax Agreement Act and other taxes imposed on the sale or use of goods and services by the government of the province or of Canada.

However, Government's financial management system is set up to record the HST portion of an expenditure as a receivable from the federal government and not as an expenditure which would be charged to a Member's account. The HST amount can only be charged to one account and thus should be charged to the HST receivable account to ensure recovery of these amounts from the federal government.

DIRECTIVE

The Clerk is authorized, for tracking and reporting purposes only, to interpret and restate the maximums for the various Members' allowances as net of HST, rather than inclusive of HST, as currently listed in the *Members' Resources and Allowances Rules*.

William MacKenzie
Clerk of the House of Assembly