

Sales Taxes

No PST recoverable!

ASSUMPTION: in this chart all transactions are for **\$1,000 cash**. (This will not always be the case.)

	When Buying		When Selling		Remitting the Tax	
PST only	Supplies Cash (Remember you must include the PST in the cost of the asset or expense since you don't get it back.)	1080 1080	Cash PST Payable Revenue (The ticket price is what's yours to keep from all the cash collected, so ticket price equals revenue!)	1080 80 1000	PST Payable Cash To send PST collected to the government	1900 1900
GST Recoverable appears here ONLY!	Supplies GST Recoverable Cash (No PST so cost value for supplies is the same as the ticket price.)	1000 60 1060	Cash GST Payable Revenue	1060 60 1000	<i>Two Possibilities:</i> Account Receivable GST Payable GST Recoverable (When Gov. owes <u>you</u>)	100 400 500
	Supplies GST Recoverable Cash (Remember you must include the PST in the cost of the asset or expense since you don't get it back.)	1080 60 1140	Cash GST Payable PST Payable Revenue	1140 60 80 1000	GST Payable Bank GST Recoverable (When you owe <u>Gov.</u> which is usually the case)	600 200 400
	Recoverables when buying ONLY!		Payables when selling ONLY!			

Note: The **revenue** amount is ALWAYS the ticket price before tax!

Note:

- NOT all transactions will look like this. Only "sales" incur sales taxes. There are two types: either (1) a sale to us (i.e. a purchase), or (2) when we sell something to a customer.
- Recoverables** are *always* **DEBITS!**
- Payables** are *always* **CREDITS!**