

GST/HST Transportation Related Definitions

[Link to Canada Revenue Agency](#)

Carrier

Carrier means a [person](#) who supplies [freight transportation services](#), whether that person actually performs the services or not. A person needs only to accept responsibility as the [supplier](#) of the freight transportation service to be considered the carrier.

Notes

A person who has a contract with a [shipper](#) to move the shipper's goods from one place to another is still considered to be a carrier of the goods, even if the work is subcontracted to another person who actually performs the entire freight transportation service.

For [GST/HST](#) purposes, a person does not need a carrier licence to be a carrier. For example, if independent owner-operators of highway tractors and courier vehicles provide freight transportation services, they are carriers whether or not they are required by law to be licensed as carriers.

Consignee

A consignee is a person to whom the goods are to be delivered.

Continuous freight movement

A continuous freight movement means the transportation of goods by one or more [carriers](#) to a destination specified by the [shipper](#) of the goods, where all [freight transportation services](#) supplied by the carriers are supplied due to instructions given by the shipper of the goods.

Continuous outbound freight movement

Continuous outbound freight movement means the transportation of goods by one or more [carriers](#) from a place in Canada to a place outside Canada, or to another place in Canada from which the goods are to be exported. After the [shipper](#) transfers possession of the goods to a carrier, and before the goods are exported, the goods cannot be further processed, transformed, or altered in Canada, except to the extent necessary to transport the goods.

Destination

Destination relating to a [continuous freight movement](#) of goods means the place specified by the [shipper](#) (usually on the bill of lading or other shipping documents) where possession of the goods is transferred to the [person](#) to whom the goods are consigned or addressed by the shipper.

Freight transportation service

Freight transportation service means the movement of goods by rail, water, highway, or air. It includes postal and [courier](#) services, as well as incidental [property](#) or services supplied by a [carrier](#), such as warehouse, packing, and loading services, whether or not a separate charge is made for them. These incidental charges may be subject to [GST/HST](#), or [zero-rated](#) depending on the [GST/HST](#) status of the basic freight charge.

GST and HST

The GST (goods and services tax) is a tax that you pay on most goods and services sold or provided in Canada. In New Brunswick, Newfoundland and Labrador, Nova Scotia, the GST has been blended with the provincial sales tax and is called the HST (harmonized sales tax). Under proposed changes, effective July 1, 2010, Ontario and British Columbia would blend their provincial sales tax with the GST.

Import

Import means import into Canada.

Input tax credit (ITC)

ITC means a credit that [GST/HST registrants](#) can claim to recover the GST/HST they paid or payable for goods or services they acquired, imported into Canada, or brought into a [participating province](#) for use, consumption, or supply in the course of their [commercial activities](#).

Origin

Origin of a **continuous freight movement** means the place where the first [carrier](#) engaged in the movement takes possession of the goods being transported.

Shipper

A shipper of goods means the person who transfers possession of the goods being shipped to a [carrier](#) at the [origin](#) of a [continuous freight movement](#) or a [continuous outbound freight movement](#). For [GST/HST](#) purposes, a person cannot be both a shipper and a carrier for the same shipment; the person is considered a shipper only. A shipper does not include a carrier.

Zero-rated supplies

Zero-rated [supplies](#) refer to a limited number of goods and services that are [taxable](#) at the rate of 0%. This means there is no [GST/HST](#) charged on the supply of these goods and services, but [GST/HST registrants](#) can claim an [input tax credit](#) for the [GST/HST](#) they pay or payable on purchases and expenses made to provide them.

For additional relevant GST/HST information, please visit:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/gnrl/hst-tvh/srvcs/trnsprttn-eng.html>

<http://www.taxtips.ca/pst/pstrates.htm>

http://en.wikipedia.org/wiki/Harmonized_Sales_Tax