



**Ontario Agencies Supporting Individuals with Special Needs**  
**Agences ontariennes de soutien pour les personnes qui ont des besoins spéciaux**

May 25, 2010

Hon. Madeline Meilleur  
Minister of Community & Social Services  
Hepburn Block  
80 Grosvenor Street  
Toronto ON M7A 1E9

Dear Minister:

**Re: Individualized Direct Funding & HST**

At the recent OASIS workshop on HST, the question was raised as to whether agencies would have to charge HST on supports and services provided to individuals who choose the Direct Funding option rather than an agency service contract.

Our understanding of the legislation is that a business with annual total taxable sales of \$30,000 or more (\$50,000 or more for a public service body) will be required to register for HST purposes and collect the HST. The vast majority, if not all, of developmental service transfer payment agencies will fall into this category.

We have consulted with accountants and lawyers and the advice we have received is that indeed agencies will have to charge HST to individuals/families for those services provided on an invoiced basis. This may be an unintended consequence of the legislation, but will have the effect of reducing by thirteen percent (13%) the already limited resources for services and supports available to families.

If, perchance, the advice we have received is in error, please let us know.

Yours Sincerely,

Judy Reid, President  
OASIS

cc: Hon. Dwight Duncan, Minister of Finance  
Hon. John Wilkinson, Minister of Revenue  
Sylvia Jones, Ontario PC Critic-MCSS  
Michael Prue, Ontario NDP Critic-MCSS  
Marg Rappolt, Deputy Minister, MCSS  
Alex Bezzina, Assistant Deputy Minister, MCSS  
David Carter Whitney, Assistant Deputy Minister, MCSS

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