



**TOURISM INDUSTRY
ASSOCIATION OF CANADA**

**ASSOCIATION DE L'INDUSTRIE
TOURISTIQUE DU CANADA**

GST Holiday—What It Means For Tourism

Effective December 14, 2024 – February 15, 2025

The Government of Canada has announced a GST/HST holiday from December 14, 2024, to February 15, 2025, providing tax relief on specific goods and services. This initiative offers tourism operators a unique opportunity to enhance their offerings and attract more customers during the winter season.

Key GST/HST-Exempt Items Relevant to Tourism:

1. Food and Beverages at Restaurants and Similar Establishments:

a. Eligible Items:

- i. Prepared meals and foods.
- ii. Non-alcoholic beverages.
- iii. Certain alcoholic beverages, including wine, beer, cider, and spirit coolers with an alcohol content not exceeding 7% ABV.

b. Exclusions:

- i. Spirits and liqueurs.
- ii. Food and beverage containing cannabis.

c. Special Considerations:

- i. **Delivery Services:** If a restaurant bills a customer directly for the delivery of a prepared meal, the delivery service qualifies for the tax break. However, if the meal is ordered through a third-party platform (e.g., Uber Eats), the delivery service fee charged by the platform does not qualify for GST/HST relief.
- ii. **Mixed Drinks:** Beverages mixed at the establishment made with eligible alcoholic beverages (e.g., a mimosa made with sparkling wine and orange juice) qualify for GST/HST relief. Mixed drinks containing ineligible alcoholic beverages (e.g., a vodka and soda) do not qualify.

2. Catering Services

a. Eligible Items:

- i. Catering services that involve the provision, preparation, and serving of food, non-alcoholic beverages, and/or eligible alcoholic beverages

b. Exclusions:

- i. Event-admission charges.
- ii. Facility-hosting fees.
- iii. Fees for musicians, disc jockeys, and other entertainers.
- iv. Chef services in which the chef prepares and serves food, but the client provides the ingredients.

3. Children's Items:

- a. **Toys:** Products designed for children under 14 years of age, including board games, card games, dolls, plush toys, and construction toys.
- b. **Clothing and Footwear:** Garments designed for babies and toddlers; footwear designed for children with an insole length of 24 ¼ cm or less.
- c. **Car Seats and Diapers:** Products such as car seats, booster seats, diapers, inserts, liners, training pants, and rubber pants designed for babies or children.

4. Printed Books and Newspapers:

- a. Physical books and newspapers containing news, editorials, and feature stories.

5. **Christmas Trees and Similar Decorative Trees:**

- a. Natural or artificial trees used as holiday decoration.

How Tourism Businesses Can Leverage the GST/HST Holiday:

1. **Highlight Savings in Marketing Campaigns:**

- a. Promote GST-free offerings (e.g., “Enjoy Tax-Free Dining and Experiences!”)
- b. Feature eligible items (e.g., prepared meals, beverages, children’s items) in advertisements.

2. **Create Special Promotions:**

- a. Bundle GST-exempt items with your services:
 - i. **Holiday Packages:** Include a GST-free meal and a family-friendly activity.
 - ii. **Event Catering:** Market GST-exempt catering services for holiday parties or corporate events.

3. **Train Your Staff:**

- a. Ensure employees understand which items qualify for GST relief and which do not.
- b. Educate staff so that they may explain the GST holiday benefits to customers effectively.

4. **Offer Seasonal Discounts:**

- a. Encourage early reservations or purchases during the GST holiday window. (e.g., “Book a family dinner this winter and save on tax!”)

Practical Scenarios for Tourism Businesses:

- **Restaurants:** Promote tax-free meals and drinks, emphasizing affordable dining for families and travellers.
- **Catering Companies:** Offer catered events featuring GST-free food and beverages to attract holiday and corporate clients.
- **Attractions with Gift Shops:** Highlight tax-free children’s toys, books, and puzzles as part of the guest experience.

- **Family-Friendly Tours or Packages:** Combine tax-free dining with child-focused entertainment or souvenirs.

Important Notes for Tourism Operators:

1. **Zero-Rated Tax Status:** The GST/HST holiday zero-rates qualifying items (i.e., no GST/HST is charged). Businesses can still claim input tax credits for GST/HST paid on expenses related to zero-rated supplies.
2. **Mixed Orders:** GST relief applies only to qualifying items in a mixed purchase. Ineligible items (e.g., spirits) must include GST/HST.
3. **Record-Keeping:** Businesses must continue to report GST/HST but exclude GST/HST on eligible items sold during the holiday period.

Next Steps for Your Business:

The GST/HST holiday presents an excellent opportunity to attract more customers, encourage spending, and enhance the appeal of your offerings. Begin preparations by updating your marketing materials, training staff, and creating promotions that capitalize on this temporary tax break.

For more information, please visit the [GST/HST Break page](#) or contact the CRA's GST/HST Holiday hotline at 1-800-959-8287 (English) or 1-800-959-8296 (French).