

3.3 Government Regulations (Taxes)

Each country and province/state has their own tax system. As a citizen in that area already you probably know the taxes you pay, such as what the tax amount is and if there are any differences between certain products or services. This will all apply to your company too, so you will need to contact your local government branches to fill out the forms to be a registered business and collect the taxes, as they will be owed to the government.

For example, in BC Canada there is both GST & PST (Goods & Service Tax and the Provincial Sales Tax). The GST is a 5% sales tax and the PST is 7% (2020). The PST is mainly (some specific exceptions) charged on goods, not services. So if you were to sell a company teeshirt, you would have to collect both taxes. If you are selling a service (such as graffiti removal services) you would only need to charge the GST. This money must be paid to the government as it is not yours to keep. You are only collecting this money for the government, which is how they are able to run a government and provide a great country for your business to be successful in.

You will need to contact the branches of government and set this up prior to opening your business as you could be charging and collecting this tax on your first day.

For any professional questions, please contact a certified accountant and/or your government branch that can provide you with the requirements and procedures to conduct business in a legal way.