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Quebec GST/QST Input Tax Credits (ITC/ITR): What to Claim

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Published by 2727 Coworking · 2026-10-29 · input tax credits quebec · itc itq quebec · gst qst refund business expenses · rti cti quebec

Original article: <https://2727coworking.com/articles/gst-qst-input-tax-credits-itc-itq-what-you-can-claim-quebec-small-business>



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ITCs and ITRs: what they are and how you get the money back

If your business is registered for the goods and services tax (GST) and the Quebec sales tax (QST), the tax you pay on business purchases is not a cost. You recover it through your returns:

- **GST/HST** comes back as **input tax credits (ITCs)**, which the Canada Revenue Agency (CRA) says are claimed on line 106 of the return.
- **QST** comes back as **input tax refunds (ITRs)**. This is Revenu Québec's official English term (Input Tax Credits and Input Tax Refunds). In French they are the *crédit de taxe sur les intrants* (CTI) and the *remboursement de la taxe sur les intrants* (RTI). "ITQ" is a common search term, but no official source uses it. On Revenu Québec's combined GST/HST and QST return, ITCs go on line 106 and ITRs on line 206.

You subtract the ITCs and ITRs from the tax you collected in the same period and remit the difference, or receive a refund if your credits are larger. In Quebec, Revenu Québec generally administers the GST/HST as well as the QST, so a business located here files both returns with Revenu Québec.

The rates used in this article are the ones in force as of October 2026: 5% GST and 9.975% QST, both charged on the pre-tax price. For filing deadlines and rate details, see our guide to Quebec GST/QST rates and deadlines for 2026. This article is educational, not tax advice.

Who can claim: the conditions

The CRA lists the conditions for an ITC; Revenu Québec applies the same framework to ITRs. You must meet all of them:

1. **You were a registrant** in the reporting period when the tax was paid or became payable ([Revenu Québec](#)). Tax paid while you were an unregistered small supplier is generally lost. One exception: [new registrants](#) who were small suppliers can claim ITCs and ITRs on certain property they still hold at registration, such as capital property and inventory. If you have not registered yet, start with our [GST/QST registration guide for Quebec freelancers](#).
2. **You bought the property or service to use in your commercial activities.** Making exempt supplies, such as a long-term residential lease, is not a commercial activity.
3. **GST/HST or QST was actually paid or payable.** No tax charged means nothing to recover.
4. **You hold the required documents** before you claim (see the invoice table below).
5. **You claim within the time limit.**

The CRA also requires the expense to be "reasonable in quality, nature, and cost in relation to the nature of your business".

What you can usually claim

Revenu Québec gives these as examples of [business inputs that qualify](#): office furniture, computer systems, accountants' fees, taxi fares, machine repair costs, promotional items and tools. Its [operating expenses page](#) adds office supplies, rental of office space or equipment, utilities, and the other day-to-day costs of running the business.

What you cannot claim

Sources: [Revenu Québec](#), [CRA](#) and [Revenu Québec's Quick Method page](#).

Item	Why there is no ITC or ITR
Salaries, interest, dividends, insurance premiums, municipal taxes	Not subject to GST or QST
Purchases for personal use	Not acquired for commercial activities
Fitness, golf, dining, hunting or fishing club memberships	Excluded unless you resell such memberships
Purchases used to make exempt supplies	Exempt supplies are not commercial activities
QST paid to a supplier outside Quebec with an "NR" QST number	No ITR; ask the supplier for a refund
Most operating purchases if you use the Quick Method	The Quick Method rates already account for them

Meals and entertainment: the 50% rule and Quebec's extra cap

Meals and entertainment are [generally 50% deductible](#) for income tax, so only half the GST and QST you pay on them can be recovered. You can calculate this in one of two ways:

- **50% as you go.** Claim 50% of the tax actually paid in each reporting period. No year-end adjustment is needed.

- **100% then add back.** Claim the full tax during the year. Then add back 50% of what you claimed: in the first reporting period after your fiscal year-end if you file monthly or quarterly, or in the same year's net tax calculation if you file annually ([CRA methods](#)).

The same 50% limit applies to tax you reimburse to employees or partners for meals and entertainment they paid in Canada.

For the QST only, there is also a cap. Quebec's *Taxation Act* limits the deductible (already halved) meal and entertainment expenses of a business to an amount based on its [gross revenue for the year from the business](#) (s. 175.6.1), and Revenu Québec applies the same limits to ITRs ([Revenu Québec](#)):

Gross revenue from the business for the year	Cap on deductible meal and entertainment expenses
\$32,500 or less	2% of gross revenue
More than \$32,500 up to \$51,999	\$650
More than \$51,999	1.25% of gross revenue

Because the cap applies to the halved amount, the *Act respecting the Québec sales tax* (ss. 457.1.4 and 457.1.5) compares your full spending with **twice** the cap. ITRs on spending above that line are added back in full after your fiscal year-end. The GST side has no such cap.

Illustrative example. You take a client to lunch: \$120 plus \$6.00 GST and \$11.97 QST. Under the 50%-as-you-go method, you claim an ITC of \$3.00 and an ITR of \$5.99 (half of \$11.97, rounded). Now the cap: with gross revenue of \$60,000, the deductible cap is $1.25\% \times \$60,000 = \$750$, so full spending up to $2 \times \$750 =$ **\$1,500** qualifies for ITRs. If your meals and entertainment for the year total \$2,000 before tax (\$199.50 QST), your ITR is $50\% \times 9.975\% \times \$1,500 =$ **\$74.81**, not $50\% \times \$199.50 = \$99.75$. If you claimed \$99.75 as you went, you add back \$24.94. Your ITC stays at \$50 (half the GST).

Mixed use and the home office

Operating expenses follow your actual business use, according to Revenu Québec's [operating expenses](#) table:

Business use of the service or (non-capital) property	Share of the GST and QST you can claim
10% or less	0%
More than 10% and less than 90%	Your percentage of use
90% or more	100%

Use a "fair and reasonable" allocation method (space, time, cost or revenue) consistently for at least the fiscal year.

Home office. You can claim ITCs and ITRs on home-office expenses [only if the workspace](#):

- is your principal place of business, or
- is used exclusively (90% or more) to earn business income and to meet people on a regular and continuous basis.

The same criteria apply for income tax; see our French-language guide to the [home-office deduction in Quebec](#).

Many household costs carry no sales tax: a long-term residential lease is exempt, and insurance premiums and municipal taxes are not taxable ([Revenu Québec](#)). For a tenant, the recoverable amount is usually limited to items such as electricity and internet.

Capital property: computers, furniture, equipment and vehicles

Capital property is property you can claim capital cost allowance (CCA) on for income tax, such as computers, photocopiers, chairs and appliances. [Different rules apply](#):

- **Personal property** (equipment, furniture, a computer) used **more than 50%** in commercial activities: you recover **100%** of the GST and QST. At 50% or less, you recover nothing.
- **Real property** (a building): nothing at 10% use or less, your percentage of use between 10% and 90%, and 100% at 90% or more. An individual registrant cannot claim if personal use is above 50%.
- If your business-use percentage later rises, you may be entitled to an additional ITC or ITR. If it falls, you may have to remit tax.

Illustrative example (taken from Revenu Québec's own figures). You buy a \$4,000 computer and expect to use it 60% for the business. GST is \$200 and QST is \$399. Because business use is more than 50%, you claim the full \$200 ITC and the full \$399 ITR.

Passenger vehicles have their own rules:

- Recoverable tax is capped at the lesser of the tax paid and the tax that would be payable on the income tax capital cost ceiling ([Excise Tax Act, s. 201](#); Revenu Québec applies the same rule to ITRs). For vehicles acquired on or after January 1, 2026, that ceiling is **\$39,000 before tax (up from \$38,000)**, or **\$61,000 for zero-emission vehicles**.
- **Corporations** recover 100% when business use is above 50%.
- Individuals and partnerships recover 100% only at 90% or more business use. Between 10% and 90%, their ITC and ITR follow the CCA they claim: $ITC = CCA \times 5/105$ and $ITR = CCA \times 9.975/109.975$.

Illustrative example. A corporation buys a \$45,000 gasoline car in 2026 and uses it 80% for business. It paid \$2,250 GST and \$4,488.75 QST, but its recoverable tax is limited to tax on \$39,000: an ITC of $5\% \times \$39,000 = \$1,950$ and an ITR of $9.975\% \times \$39,000 = \$3,890.25$. The tax on the other \$6,000 (\$300 GST, \$598.50 QST) is not recoverable.

Documentation: what must be on the invoice

The details you need depend on the total amount of the purchase, taxes included. The CRA's [ITC information requirements](#) and Revenu Québec's [invoice table](#) use the same thresholds, with a few extra QST items:

Information required	Under \$100	\$100 to \$499.99	\$500 or more
Supplier's (or intermediary's) name	Yes	Yes	Yes
Invoice date (or date the tax was paid or payable)	Yes	Yes	Yes
Total amount	Yes	Yes	Yes
Tax amount, or a statement that tax is included	QST only	Yes	Yes
Supplier's GST and QST registration numbers	No	Yes	Yes
Your name or business name (or your agent's)	No	No	Yes
Terms of payment	No	No	Yes
Description of the property or service	QST only	QST only	Yes

Your supplier must give you this information in writing if you ask for it. One practical point for business meals: restaurant bills from a sales recording system do not show your name. If the bill is \$500 or more, Revenu Québec says you can [ask for an additional document](#) showing your name and the payment terms.

Checking supplier numbers and foreign digital vendors

A number on an invoice does not prove the supplier is registered. Check it for free:

- **GST/HST:** the CRA's [GST/HST Registry](#). Enter the first nine digits, the business name and the transaction date. The CRA suggests printing the search result to support your claim.
- **QST:** Revenu Québec's [Validate a QST Registration Number](#) service. A number starting with 11, 22 or 33 may be the Québec enterprise number (NEQ), not the QST number.

Foreign software, apps and platforms need a step *before* you pay:

- **QST.** Suppliers outside Quebec registered under the specified system have QST numbers containing "NR". [You cannot claim an ITR](#) on QST they charge you. To avoid paying it, give them your QST number (beginning with "TQ") before completing the transaction. If QST was already charged, you have to ask the supplier for the refund.
- **GST/HST.** If you are a regular registrant buying from a non-resident registered under the simplified GST/HST framework, you [must provide proof of registration](#). If you don't, you may not be able to recover the GST/HST as an ITC or a rebate.

Time limits for claiming

Most registrants claim in the period of purchase, but you have **four years**, counted from the filing deadline of the return in which you could first have claimed.

Revenu Québec's example: a quarterly filer who made purchases in December 2024 has until **January 31, 2029** to claim them. That is the deadline for the October 1 to December 31, 2028 return.

The limit drops to two years for listed financial institutions and for persons whose total taxable sales exceeded **\$6 million** in each of the two preceding fiscal years. Even then, businesses whose sales were 90% or more taxable in either of those years keep the four-year limit. A typical small business has four years.

Older guides also mention Quebec's ITR restrictions for large businesses (vehicles, fuel, energy, telephone, meals). They no longer exist: they were phased out from January 1, 2018, and the last transitional rule in the *Act respecting the Québec sales tax* (s. 404.0.1) covers only property and services acquired before January 1, 2021. Since then, large businesses claim ITRs like everyone else.

The Quick Method and the simplified method

These two options are often confused:

- **The Quick Method of Accounting** changes what you remit. You collect GST and QST as usual but **remit a percentage of your tax-included sales**. For businesses that mainly supply services, the rate is **3.6% for GST and 6.6% for QST** (applicable rates, as of October 2026). You give up ITCs and ITRs on most expenses (heating, lodging, telephone) but keep them on capital purchases that qualify for CCA, such as a vehicle or office furniture. Tax collected but not remitted is income for income tax purposes.
- **The simplified method for calculating ITCs and ITRs** only changes the arithmetic: you work from tax-included purchase totals instead of each invoice's tax. Your worldwide taxable sales in the previous fiscal year must be no more than **\$1 million** and your **Canadian taxable purchases no more than \$4 million**, among other conditions.

Illustrative example: is the Quick Method worth it? A consultant uses the Quick Method from the first day of the fiscal year. Annual sales are \$60,000 before tax, so the consultant collects \$3,000 GST and \$5,985 QST. Taxable expenses are \$12,000.

	Regular method	Quick Method (3.6% / 6.6%)
GST	\$3,000 – \$600 ITCs = \$2,400	$\$63,000 \times 3.6\% = \$2,268$, less 1% of the first \$30,000 (\$300) = \$1,968
QST	\$5,985 – \$1,197 ITRs = \$4,788	$\$65,985 \times 6.6\% = \$4,355.01$, less 1% of the first \$31,421 (\$314.21) = \$4,040.80

Here the Quick Method leaves about \$1,179 more with the business, before income tax; the gap shrinks as taxable expenses grow. The **1% reduction** is only available if you start using the method on the first day of your fiscal year or on your registration date.

Worked quarter: putting it together

Illustrative example. A registered freelance designer who files quarterly (regular method) has these purchases in one quarter:

Purchase	Pre-tax	GST	QST	ITC claimed	ITR claimed
Office rent, 3 months (100% business)	\$1,800	\$90.00	\$179.55	\$90.00	\$179.55
Mobile phone, 3 months (60% business)	\$240	\$12.00	\$23.94	\$7.20	\$14.36
Laptop (70% business, capital property)	\$2,000	\$100.00	\$199.50	\$100.00	\$199.50
Client lunch (50% method)	\$120	\$6.00	\$11.97	\$3.00	\$5.99
Gym membership	\$50	\$2.50	\$4.99	\$0	\$0
Total				\$200.20	\$399.40

Every invoice of \$100 or more must show the supplier's GST and QST numbers; the rent invoices, above \$500, also need the designer's name and payment terms.

Common errors and a monthly checklist

The errors that most often cost a claim: invoices of \$100 or more without registration numbers, tax charged by unregistered suppliers, personal shares of a phone or car, a forgotten meal add-back, QST paid to "NR" suppliers, and operating-expense claims on the Quick Method.

Monthly checklist:

1. Collect every purchase invoice in one folder, sorted by reporting period.
2. Confirm that invoices of \$100 or more show GST and QST numbers; check unfamiliar suppliers in the registries.
3. Record the business-use percentage for mixed-use items and keep the calculation.
4. Tag meals and entertainment separately for the 50% rule and the QST cap (twice the income tax cap).
5. Enter your GST and QST numbers in every new foreign software or platform account.
6. Note any missed purchase. You have four years, but claiming in the right period is easier to support.

Whether you work from home or from a rented office such as 2727 Coworking in Griffintown, file your workspace invoices, with the supplier's GST and QST numbers, with the rest of your claim.

Sources

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- [Calculate input tax credits: methods \(Canada Revenue Agency\)](#)
- [Confirming a GST/HST account number: GST/HST Registry \(Canada Revenue Agency\)](#)

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- RC4022 General Information for GST/HST Registrants (Canada Revenue Agency)
- Input Tax Credits and Input Tax Refunds (Revenu Québec)
- Claiming ITCs and ITRs (Revenu Québec)
- Operating Expenses (Revenu Québec)
- Home Office Expenses (Revenu Québec)
- Capital Property (Revenu Québec)
- Meal and Entertainment Expenses: ITCs and ITRs (Revenu Québec)
- Preparing Invoices (Revenu Québec)
- Calculating the Taxes (Revenu Québec)
- Validate a QST Registration Number (Revenu Québec)
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Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

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A workspace that fits the day

Our workspace options include private offices, day passes and desks, and a conference room. These formats help individuals and teams compare a dedicated office with more flexible ways to work or hold a meeting. Prospective members can explore the virtual tour, review current pricing and book a visit before choosing a workspace.

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