

"We are experts in providing leasing services, specializing in working with small and medium sized businesses. We help our customers get the best leasing plans available so they can get the equipment and vehicles they need to grow their business."

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We lease:

Computers

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Cars & Trucks

Metal & Wood Working  
Equipment

Transportation Equipment

Office Furniture

Forklifts

Industrial Equipment

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Green Energy Equipment

And lots more!

## Did you know... leasing currently has a huge advantage over paying cash for equipment in BC or Ontario?



Let's say you are going to be making a purchase or lease decision about some equipment for your business, and you want to know about the impact of change of PST (Provincial Sales Tax) to HST on a cash purchase vs. lease basis. Well here's a quick summary for you to consider.

If we use \$100,000 of equipment for this example, then you would pay \$7,000 of PST on the purchase. The PST is a sunk cost on this acquisition – you don't get it back, it's a fixed expense. GST is not an issue in that while you would pay it out, you would get it back as an input tax credit.

However, if you lease the same \$100,000 of equipment over a 5 year term, you would be paying PST on just the monthly payments. The payments would be around \$2,000 per month, which would mean PST on the payments of  $7\% \times \$2,000 = \$140$ .

Now, the interesting part is that the PST will become HST in July of this year for BC and Ontario customers. Using BC as an example, this will mean that at that time, the combined 12% which is PST & GST will remain the same, but the 7% PST portion will become just like the GST now – a flow through tax. That means that you will get it back.

So in our \$100,000 example, you would pay \$7,000 in PST to buy the equipment, but only \$700 in PST to lease it (5 months x \$140). That means a savings of \$6,300 for every \$100,000 in equipment cost. You're way further ahead to lease rather than buy, even if leasing rates are higher than a loan rate.

\$100,000 equipment purchase  
\$7,000 PST cost

\$100,000 equipment lease  
\$700 PST cost

\$6,300 PST savings. Any questions?

## Leasing Hotline

Our Leasing Specialists are ready to help you with all of your leasing questions. Just call the hotline at 604-251-5674 or 1-800-331-7388.

