



Ministry of Revenue
 Retail Sales Tax
 33 King Street West
 PO Box 623
 Oshawa ON L1H 8H7

Guarantee Bond
The Retail Sales Tax Act

Bond # _____

Note: Where the Contractor is a partnership or limited company, substitute appropriate wording where necessary.

To be prepared in duplicate

1. We _____
Name of Contractor or Sub-Contractor
 at _____
Project Name and Location
 of _____
Address of Contractor or Sub-Contractor
 (hereinafter called the Contractor) has entered into a contract under date _____
Date of Contract
 in the amount of _____ **Dollars**
Amount Stated in Words
 with _____
Name of Principal or Owner or Contractor, as applicable
 of _____
Address of Principal or Owner or Contractor

pursuant to which tangible personal property will be consumed or used in Ontario, and whereas the Contractor is required by the Minister of Revenue to deposit with the Minister of Finance, a guarantee bond equivalent to four per cent (4%) of the contract.

2. Known as _____
 _____ as Contractor
Name of Contractor
 and _____
Name of Insuring Company
 of _____ as Surety (hereinafter called the Surety)
Address of Surety

are held firmly bound unto Her Majesty in the right of Ontario (hereinafter called the Obligee) in the sum of _____ **Dollars** (\$ _____)
Deposit Amount in Words Deposit Amount in Numbers

of lawful money of Canada to be paid unto the Obligee, her successors and assigns, for which payment well and truly made, I, _____ or _____
Name of Contractor Name of Surety

bind myself, my heirs, executors, administrators and assigns, and we _____ and _____
Name of Contractor Name of Surety

bind ourselves, our successors and assigns jointly and firmly by these presents.

Sealed with the respective seals of the Contractor and the Surety and dated the

_____ day of _____, _____
Day Month Year

OVER

3. **Subject** to clause 4, the above written obligation shall be void, if the contractor furnishes the Minister with Returns and remits tax as required by the *Retail Sales Tax Act*. The Return shall be in the form required by the Minister and shall include the following information:
- (a) value of all tangible personal property, except equipment and machinery referred to in paragraph (b), at its fair value as defined in the *Retail Sales Tax Act* which tangible personal property was brought into the province by or received in the province by the Contractor for his own consumption or use, or for the consumption or use of other persons at his expense, or on behalf, or as agent for a Principal who desires to acquire such property for consumption or use by such Principal or other persons at his expense;
 - (b) fair rental value of all equipment and machinery owned by the Contractor and brought into the province or received in the province by the Contractor at the rate of one thirty-sixth (1/36) of the Net Book Value of the equipment, for each month or part of a month while the equipment and machinery remain in Ontario;
 - (c) amount of rental payable for any equipment not owned by the Contractor, but brought into the province or received in the province by the Contractor for his own consumption or use;
 - (d) the tax payable under items (a), (b) and (c).
4. The Returns submitted under clause 3 shall be examined on behalf of the Minister not later than twelve months after their receipt. After examination of the Contractor's Returns and any supporting records or documents, the Minister shall verify the amount of tax shown in the Contractor's Returns and shall give a notice of assessment to the contractor, and a copy thereof to the Surety, of any amounts of tax found to be due and payable, and such notice shall be effective as of the date on which it was mailed. Any additional amount of tax found due over and above the amounts shown in the Returns, and any tax due from unpaid previous assessments, shall be paid by the Contractor and/or the Surety within one month from the effective date of such notice of assessment.
5. These presents shall be deemed to have been executed at Toronto, in the Province of Ontario, and any action or proceeding thereon by or on behalf of Her Majesty the Queen in right of Ontario may be commenced in the Province of Ontario and shall be governed by the laws of the said province.
6. Notwithstanding the provisions of paragraph 3, the obligation under paragraph 2 shall expire after 3 years from the date of the execution of these presents.

Signed, Sealed and Delivered

in the presence of

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Contractor _____

Surety _____

Instructions:

Mail **original** to:

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Retail Sales Tax
33 King Street West
PO Box 623
Oshawa ON L1H 8H7**