\*\*WHY DO CONSULTANTS PAY TAX ON THE FULL RETAIL VALUE?\*\*

Clients pay tax on the price they pay, SRP. (suggested retail value)

PCs pay tax on the price they pay, PC price, discount by 20%-40%.

Consultants have a contractual agreement with Arbonne to pay tax on retail and get a 35% discount on SRP.

Arbonne as a member of the DSA does not collect tax fraudulently, but rather follows the Alternative Tax Collection by law. Consultants can choose to use their products personally or sell to clients, collecting the tax. Arbonne then remits all sales tax collected to the government and the consultant is not responsible for remitting sales tax.

Many people who are consultants do not understand what it means to be a consultant and ASSUME they are just shopping at a discount.

It’s actually a law in Canada for all direct selling companies.

You can be assured that it’s not fraudulent, it’s a way for the CRA to ensure that we aren’t pocketing taxes that we charge clients.

For example, if we bought $100 worth of product with our discount, we’d get it for $65. And we’d pay tax on $65. But then we could turn around and sell it to a client for $100. And charge the client tax on $100, and pocket the difference since we only paid tax on $65 in the first place.

So it’s a way for us to avoid remitting HST/PST/GST quarterly and for the government to monitor sales tax.

<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/gi-126.html?fbclid=IwAR0UbSfknrrVLUmMMhQKRI4k3-LE1Qwjy_HerSqXxjH0K0s2hbQdTSJ8b0I>