

Nisga'a Citizens and Provincial Taxes Effective June 1, 2008

Social Service Tax Act, Tobacco Tax Act, Motor Fuel Tax Act, Hotel Room Tax Act

If you are a Nisga'a Citizen or a business that sells to Nisga'a Citizens, you need to be aware of important changes to how provincial taxes will apply to your purchases and sales, effective June 1, 2008. Provincial taxes include social service tax, also called provincial sales tax (PST), tobacco tax, motor fuel tax and hotel room tax.

These changes only affect sales that occur on reserve lands. Nisga'a citizens have always been required to pay provincial tax on purchases made off-reserve.

Nisga'a Citizens

If you are a Nisga'a Citizen, you will need to pay provincial tax when you purchase or lease taxable goods and services, or purchase tobacco, motor fuel and hotel accommodation. You will need to pay provincial tax whether the purchase occurs on former Nisga'a reserve lands or on reserve lands of other First Nations. Other First Nations individuals will also need to pay provincial tax on purchases made on former Nisga'a reserve lands.

Businesses

Registration

If you are a business located on former Nisga'a reserve lands and you regularly sell or lease taxable goods or services, or sell tobacco, motor fuel or hotel accommodation, you need to register with the ministry. If you are authorized to purchase and sell tax-exempt fuel or tobacco on former Nisga'a reserve lands, your authorization will be cancelled as of June 1, 2008.

Purchases

If you are a business located on former Nisga'a reserve lands, you will need to pay PST on most supplies and equipment that you use in your business. You do not pay PST when you purchase goods for resale to your customers.

If you purchase fuel or tobacco for resale, you will no longer be able to purchase tax-exempt. You will need to purchase fuel and tobacco tax-included from your supplier.

Sales

All businesses, whether they are located on former Nisga'a reserve lands or located off-reserve, will need to charge, collect and remit provincial taxes as follows.

- **Sales to Nisga'a Citizens:** You charge provincial tax on all taxable sales to Nisga'a Citizens that occur anywhere in British Columbia.
- **Sales to non-First Nations customers and other First Nations:** You charge provincial tax on all taxable sales to non-First Nations customers. You also charge tax on sales to other First Nations customers if the sale occurs on former Nisga'a reserve lands.

Further Information

The Ministry of Small Business and Revenue is working with the Nisga'a Lisims government, Indian and Northern Affairs Canada, and the Canada Revenue Agency to prepare detailed public information on this change. The ministry will provide you with this information as soon as it is available.

The ministry will also participate in the Nisga'a Nation Assembly in April 2008, to help communicate this change to Nisga'a Citizens and businesses.

If you have any questions, please call us at 604 660-4524 in Vancouver, or toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm