



Application of GST/HST to Indian Bands and Band-empowered Entities

This information sheet provides guidance for simple, everyday situations and does not replace the law. For more information, see GST/HST Technical Information Bulletin B-039, *GST/HST Administrative Policy – Application of the GST/HST to Indians*.

Sales on a reserve – Goods

Indian bands and **unincorporated** band-empowered entities may acquire goods on a reserve relieved of the GST/HST.

Incorporated band-empowered entities may also acquire goods on a reserve tax relieved when those goods are for band management activities.

Band management activities include programs that are designed for the benefit, well-being or assistance of band members but exclude activities or programs undertaken by a band or band-empowered entity that are commercial activities for which they would be entitled to input tax credits as a GST/HST registrant.

A band-empowered entity is an entity that is owned or controlled by an Indian band, tribal council, or group of Indian bands meeting the criteria found in B-039.

Sales off a reserve – Goods

Indian bands and unincorporated band-empowered entities may acquire goods off a reserve tax relieved provided the goods are delivered to a reserve by the vendor or the vendor's agent. The purchaser cannot designate their own agent to deliver goods to the reserve. As well, incorporated band-empowered entities may also acquire goods off a reserve tax relieved when those goods are for band

management activities and the delivery requirement is met.

Where an Indian band or a band member has set up their own delivery business that is an organization separate from the Indian band, the **vendor** may contract with this delivery business to deliver the goods to a reserve.

Services

Services acquired on or off a reserve by an Indian band or band-empowered entity (incorporated or unincorporated) for band management activities or for real property on a reserve are not subject to the GST/HST. Exception: Off-reserve purchases of transportation, short-term accommodations, meals, and entertainment are not tax relieved at the point of sale but an Indian band or band-empowered entity may be eligible to apply for a rebate. As well, services acquired for off-reserve real property are not relieved of tax. More information on rebates can be found in B-039.

Some Indian bands, tribal councils, and band-empowered entities are currently entitled to claim public service body rebates under the GST. These groups will continue to claim partial rebates for the 5% federal part of HST they pay on eligible purchases. They may also be entitled to recover a portion of the provincial part of HST they pay depending on where they are located and if they meet the rebate eligibility criteria.

Documentation to be retained by the vendor proving that the conditions of B-039 are met

When the purchaser is an Indian band or band-empowered entity, the purchaser must provide a certificate to the vendor showing that the goods are being acquired by an Indian band or unincorporated band-empowered entity or that the services are being acquired for band management activities. Incorporated band empowered entities must provide a certificate to the vendor indicating that the

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goods or services are being acquired for band management activities.

This certification should be similar in wording to the following:

This is to certify that the good or service being acquired by [insert the name of the band or band-empowered] is for band management (if applicable) or for real property on a reserve. This supply will not be subject to the goods and services tax/harmonized sales tax (GST/HST).

Signature of Authorized Officer

Date

Title of Signing Officer

Off-reserve purchases of goods delivered to a reserve

Along with the certification, a vendor is required to maintain proof of delivery (e.g., waybill, postal receipt, or freight bill) demonstrating that the delivery of the goods was made to a reserve. If a vendor delivers the goods to a reserve in its own vehicle an indication on the invoice and certain internal documentation would normally be acceptable as proof of delivery. Acceptable evidence may include the driver's log information, expense reports (e.g. fuel purchase) disbursement records relating to the delivery, and signature of the Indian purchaser or the Indian band's representative attesting to receipt of the goods on a reserve.

Tax relief generally does not apply where the purchaser takes possession of the goods off a reserve even if the goods are destined to be used or consumed on a reserve.

For Ontario only: off-reserve purchases

When full relief of the GST/HST is not available on off-reserve purchases, in Ontario, relief equal to the provincial part of the HST may apply to status Indians, Indian bands, and councils of Indian bands, as the Government of Ontario has announced that

effective September 1, 2010 there is relief equal to the 8% Ontario part of the HST on qualifying off-reserve property or services at the point of sale. For information on qualifying property and services, who is eligible for relief, and the documentary requirements to support amounts credited to status Indian purchasers, contact the Government of Ontario at 1-866-668-8297, or read or read the Government of Ontario guide, *Ontario First Nations Point-of-Sale Exemptions*, at www.rev.gov.on.ca/en/taxchange/firstnations.html

As well, GST/HST Info Sheet GI-106, *Ontario First Nations Point-of-Sale Relief – Reporting Requirements for GST/HST Registrant Suppliers*, provides additional information concerning the Ontario point-of sale relief.

For further information

For additional information please see GST/HST Technical Information Bulletin B-039, *GST/HST Administrative Policy – Application of the GST/HST to Indians*, which summarizes the Canada Revenue Agency's (CRA) administrative policy respecting GST/HST relief for Indians, Indian bands, and band-empowered entities.

Please note that the tax relief described in this info sheet does not apply to First Nation taxes imposed by Aboriginal governments and administered by the CRA as the *Indian Act* tax exemption does not apply to such taxes. As well, this info sheet does not apply to Aboriginal governments and their citizens that have signed final or self-government agreements that end *Indian Act* tax relief (see GST/HST Notice238, *First Nations Having a Self-Government Agreement Ending Indian Act Tax Relief – Determining Tax Relief for Indian Members Who Are Not Citizens*).

This info sheet does not replace the law found in *the Excise Tax Act* (the Act) and its regulations. It is provided for your reference. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate regulation, or contact any CRA GST/HST rulings office for additional information. A ruling should be requested for certainty in respect of any particular GST/HST matter. Pamphlet RC4405, *GST/HST Rulings – Experts in GST/HST Legislation*, explains how to obtain a ruling and lists the GST/HST rulings offices. If you wish to make a technical enquiry on the GST/HST by telephone, please call 1-800-959-8287.

If you are located in Quebec and wish to make a technical enquiry or request a ruling related to the GST/HST, please contact Revenu Québec by calling 1-800-567-4692. You may also visit their Web site at www.revenu.gouv.qc.ca to obtain general information.

All technical publications related to GST/HST are available on the CRA Web site at www.cra.gc.ca/gsthstech.