



Information for Businesses Located on a Reserve

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*.

Who has to register?

A business located on a reserve that does not qualify as a small supplier, including those owned by a First Nation or one of its members, must register for GST/HST and collect and remit any tax payable on all taxable sales.

You are a small supplier if your worldwide revenues from taxable supplies of goods and services, including zero-rated **and on-reserve tax-relieved sales made to Indians, Indian bands, and band-empowered entities**, are \$30,000 (or \$50,000 if you are a public service body) or less in a single calendar quarter or for the past four consecutive calendar quarters. For clarification, sales made to Indians, Indian bands, and band-empowered entities are not exempt or zero-rated supplies; they are taxable supplies that are relieved of tax if certain conditions are met.

Therefore, you have to register for the GST/HST when your worldwide revenues from taxable sales exceed \$30,000 (or \$50,000 if you are a public service body) in the past four consecutive calendar quarters or in a single calendar quarter.

You have to register for the GST/HST if you are a taxi or limousine operator whose fares are regulated by federal or provincial laws even if your revenues do not exceed \$30,000.

A special small supplier test applies to charities and public institutions. Refer to GST/HST Memorandum 2-2, *Small Suppliers*, for more information on any registration requirements, including those for public service bodies, charities, and public institutions.

Sales made on a reserve

Indians, Indian bands, and band-empowered entities may buy goods or services on a reserve without paying the GST/HST where they meet the conditions under B-039 and the appropriate documentation is provided to the vendor.

Generally, all non-Indians must pay the GST/HST on taxable supplies unless the goods or services acquired are subject to tax at the rate of zero percent or are supplied by a small supplier who is not registered for the GST/HST.

For more detailed information about collecting GST/HST, see Guide RC4022, *General Information for GST/HST Registrants*.

Eligibility for the relief of tax

There may be Aboriginal individuals who feel that they do not have to pay the GST/HST. However, only individuals who are registered as an Indian are eligible for the tax relief when acquiring goods or services from a vendor. This does not include Métis, Inuit, or Indians from the United States. The Certificate of Indian Status (or status card) issued by Indian and Northern Affairs Canada is the only document recognized for this purpose. Vendors are required to document the purchaser's name and registry number or the band name and family number on each invoice or document supporting the tax-relieved sales.

Tax relief will also not apply on the lands or reserves of a First Nation that has implemented the First Nations Goods and Services Tax (FNGST). The FNGST is a tax imposed by First Nations that replaces the GST or the federal part of the HST. Every registrant who sells taxable goods and services on the lands where an FNGST applies will have to collect the FNGST from all purchasers, including Indians and Indian bands. Guide RC4365, *First Nations Goods and Services Tax (FNGST)*, provides more details about the FNGST.

For Ontario only: off-reserve purchases

When full relief of the GST/HST is not available on off-reserve purchases, in Ontario, relief of 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 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.

Responsibilities of the vendor

As a vendor, you are responsible for ensuring the sale meets all of the criteria for tax relief. Sufficient documentation must be retained with the business records to confirm the purchaser was not required to pay the tax.

You must maintain documentation verifying that the goods were sold to an Indian, Indian band or a band-empowered entity. Although there is no prescribed form, you must document the name, address, and status card information of the Indian purchaser, or keep the certificate provided by the Indian band or band-empowered entity as evidence that the sale was made relieved of the GST/HST (see sample certificate in B-039).

If sufficient documentation has not been retained, the Canada Revenue Agency (CRA) may issue an assessment equal to the GST/HST that should have been collected, plus applicable interest.

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 CRA's 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.