



GST/HST Administrative Policy – Application of the GST/HST to Indians

NOTE: This version replaces the one dated August 2006.

The information in this bulletin does not replace the law found in the *Indian Act* or the *Excise Tax 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 appropriate legislation, or contact a Canada Revenue Agency GST/HST rulings office for more 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.

Reference in this publication is made to supplies that are subject to the GST or the HST. The HST applies in the participating provinces at the following rates: 13% in Ontario, New Brunswick, and Newfoundland and Labrador, 14% in Prince Edward Island and 15% in Nova Scotia. The GST applies in the rest of Canada at the rate of 5%. If you are uncertain as to whether a supply is made in a participating province, you may refer to GST/HST Technical Information Bulletin B-103, *Harmonized Sales Tax – Place of Supply Rules for Determining Whether a Supply is Made in a Province*.

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 at 1-800-567-4692. You may also visit the Revenu Québec Web site to obtain general information.

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Introduction

This bulletin summarizes the CRA’s policy concerning the treatment of supplies made to, or by, Indians¹, Indian bands and band-empowered entities under the GST/HST. The treatment of Indian purchases under the GST/HST is consistent with section 87 of the *Indian Act* under which personal property of an Indian or an Indian band situated on a reserve and their interests in reserves or designated lands qualify for tax relief.

¹ The Canada Revenue Agency (CRA) recognizes that many First Nations people in Canada prefer not to describe themselves as Indians. However, the term Indian is used in this publication because it has a legal meaning in the *Indian Act*.

La version française de la présente publication est intitulée *Politique administrative sur la TPS/TVH – Application de la TPS/TVH aux Indiens*.



Excluded from this bulletin

First Nations tax and First Nations goods and services tax

The information in this bulletin does not apply to the First Nations tax (FNT) or the First Nations goods and services tax (FNGST). The FNT and the FNGST are administered by the CRA. Information on these taxes is available in the following CRA guides: RC4072, *First Nations Tax (FNT)* and RC4365, *First Nations Goods and Services Tax (FNGST)*. For a list of First Nations that have implemented the FNT and the FNGST, go to the following Web pages: www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/frstntns/fntpp-eng.html (for the FNT) and www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/frstntns/fngstpp-eng.html (for the FNGST).

Self-government agreements and the GST self-government refund

In addition, the policy in this bulletin does not apply to First Nations that have signed final and self-government agreements with the Government of Canada that include provisions to end the tax relief under section 87 of the *Indian Act*.

Although those First Nations cannot receive relief or rebate of the GST/ federal part of the HST under this bulletin or under section 87 of the *Indian Act*, they may be entitled to claim a self-government refund to recover the GST/federal part of the HST. The Government of Canada has entered into tax treatment agreements (TTAs) with the Government of Labrador Inuit (that does not fall under the *Indian Act*) and the following First Nations: the Nisga'a Nation, the Tlicho First Nation, the Tsawwassen First Nation and the Maa-nulth First Nations. The TTAs provide for a 100% refund of that portion of the GST/federal part of the HST paid on goods and services acquired by the Aboriginal Government and their eligible entities provided that the other eligibility conditions are met.

For the Yukon First Nations with a self-government agreement in place, the self-government agreement includes the provisions for the self-government refund.

The TTA identifies the conditions under which a refund of the GST/federal part of HST may be claimed for self-government activities. The self-government refund can be claimed using Form GST66, *Application for the GST/HST Public Service Bodies' Rebate and GST Self-Government Refund*.

Individual First Nation members of these self-governing First Nations

The self-government and/or final agreements generally end the tax relief under section 87 of the *Indian Act* for Indian citizens of a First Nation that has signed such agreements². However, some Indian members may still be covered by transitional provisions that extend tax relief for a certain period of time. 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*. Further, there are some Indian members who have opted out of being a citizen of a First Nation with a final and/or self-government agreement and who are still eligible for relief under section 87 of the *Indian Act*. These Indian members have to provide a certificate which indicates that they are not a citizen of such First Nation with a final and/or self-government agreement.

² **Exception** – The following members are still entitled to tax relief under section 87 of the *Indian Act*, where the conditions of this bulletin are met, even if the First Nation has a final or self-government agreement:

- the Nisga'a members who are not Nisga'a citizens of the Nisga'a First Nation;
- Yukon members who do not reside in the Yukon, as well as the three following Yukon First Nations that have not completed final agreements: Liard, Ross River Dena Council and White River. For more information, please see GST/HST NOTICE143, *Application of GST/FNGST to Yukon First Nations and their Members*.

Following is an example of this certificate, as found in GST/HST NOTICE238.

This certifies that I am exempt from GST/HST when section 87 of the Indian Act applies, as I am not a citizen of a First Nation with a final or self-government agreement that ends tax relief.

Name of Indian purchaser *Signature*

Registry Number or Band name and family number

This supply will not be subject to the GST/HST if the goods are being purchased on a reserve or delivered to a reserve by the vendor or vendor's agent, or the transaction involves services that are performed entirely on a reserve.

Ontario First Nations point-of-sale relief

Effective July 1, 2010, property and services acquired by Indians, Indian bands and band-empowered entities off a reserve in Ontario without being delivered to a reserve are generally subject to the HST. However, since September 1, 2010, the Government of Ontario has provided point-of-sale relief equal to the provincial part of the HST for qualifying off-reserve supplies of property or services to eligible Ontario First Nations purchasers where tax relief is not available under this bulletin. For more information on qualifying off-reserve supplies of property or services and who is eligible for the relief, refer to the Ontario Ministry of Finance's Harmonized Sales Tax Guide 80, *Ontario First Nations Point-of-Sale Exemptions*.

GST/HST registrants who supply property or services off a reserve to eligible Ontario First Nations purchasers should be aware of the procedures for reporting the amount equal to the provincial part of the HST credited at the point of sale. These procedures are explained in GST/HST Info Sheet GI-106, *Ontario First Nations Point-of-Sale Relief Reporting Requirements for GST/HST Registrant Suppliers*.

Definitions

Some of the terms used in this bulletin are explained below.

A **band-empowered entity** is a corporation, board, council, association, society, or other organization that is owned or controlled by a band, a tribal council or a group of bands other than a tribal council. This policy is applicable to those band-empowered entities that are situated on a reserve. A band-empowered entity is considered to be situated on a reserve when the entity maintains a presence on a reserve.

An entity is considered to be owned by a band, a tribal council or a group of bands other than a tribal council if:

- the band, tribal council or group of bands owns all or substantially all of the shares or holds all or substantially all of the memberships of the entity; or
- the band, tribal council or group of bands holds title to the assets of the entity or controls its disposition, such that in the event of wind up or liquidation, these assets are vested in the band, tribal council or group of bands.

An entity is considered to be controlled by a band, tribal council or group of bands other than a tribal council if:

- the band, tribal council, group of bands or individual members of the band, tribal council or group of bands, appoint or elect a majority of the members of the governing body of the entity (e.g., directors); and
- the entity is required by legislation, by-laws, or an operating agreement, to submit to the band, tribal council or group of bands, its operating budget and where applicable, its capital budget for review and approval.

Band management activities are activities or programs undertaken by a band or band-empowered entity that are not commercial activities for which they would otherwise be entitled to claim input tax credits. In determining whether the acquisition of a supply is for band management, the output of the activity or program will be the determining factor, as opposed to the objectives of the activity or program. For example, a band's objective may be to provide employment and training to band members. To achieve this objective, the band may form a commercial enterprise which will provide on-the-job training and also create employment. Although the band's objective is to train persons, the output is a commercial activity for which there is an entitlement to input tax credits. As a result, supplies acquired for use in this band program are not considered to have been acquired for use in band management activities unless the band is not required to be registered and thus not eligible for input tax credits (i.e., a small supplier).

An **Indian** is a person who is registered under the *Indian Act*. An Indian does not have to live or maintain a residence on a reserve. Such a person may be issued a *Certificate of Indian Status* card or a Temporary Confirmation of Registration Document (TCRD) by Aboriginal Affairs and Northern Development Canada (AANDC), formerly Indian and Northern Affairs Canada.

An **Indian band**, for purposes of the GST/HST, includes both a band council and a tribal council. The band council is the primary unit of an Indian government. A tribal council is another level of Indian government. It is a grouping of bands with a common interest that have joined together to provide advisory or program services for two or more bands. Band council members compose the tribal council Board of Directors.

Property is any property, whether real or personal, movable or immovable, tangible or intangible, corporeal or incorporeal, and includes a right or interest of any kind, a share and a chose in action, but does not include money.

Real property includes

- in respect of property in the Province of Quebec, immovable property and every lease thereof,
- in respect of property in any other place in Canada, messuages, lands and tenements of every nature and description and every estate or interest in real property, whether legal or equitable, and
- a mobile home, a floating home and any leasehold or proprietary interest therein.

A **reserve** is a reserve within the meaning of the *Indian Act* that is a tract of land which has been set apart for the use and benefit of a band within the meaning of the *Indian Act*, and equivalent lands under self-government legislation, e.g., the *Cree-Naskapi (of Quebec) Act* and the *Sechelt Indian Band Self-Government Act*. A reserve also includes "designated land", which, according to the *Indian Act*, is a tract of land whose legal title remains vested in Her Majesty and in which the band for whose use and benefit it was set apart as a reserve has, otherwise than absolutely, released or surrendered its rights or interests.

The settlements affected by remission orders for Indians and bands on certain Indian settlements are also treated as reserves for the purposes of this policy. These remission orders cover a limited number of

settlements in Canada for which a public commitment has been made by the Government of Canada to grant reserve status under the *Indian Act*. Information on these remission orders is available from CRA tax services offices.

Proof of Indian status

Indians³ must present proof of registration under the *Indian Act* in order to acquire property or services on a reserve, or for delivery to a reserve, without paying the GST/HST. They would generally show to the vendor their original Certificate of Indian Status card (status card) or original Temporary Confirmation of Registration Document (TCRD). Status cards and TCRDs are issued to eligible Indians by Aboriginal Affairs and Northern Development Canada (AANDC).

Further information on the status card, including samples of the cards currently in circulation, is available on the AANDC Web site at www.aadnc-aandc.gc.ca/eng/1100100032424/1100100032428. For more information on the TCRD, see GST/HST NOTICE264, *Sales Made to Indians and Documentary Evidence – Temporary Confirmation of Registration Document*.

As noted in the Introduction, individual citizens of a self-governing First Nation are generally no longer entitled to tax relief. For these specific individuals, AANDC will be adding the following notation to the back of their status cards, as the cards come up for renewal: “cardholder is not eligible for sales/transaction tax exemption after (a specified date)”.

An individual presenting any other “membership” or “association” type card, such as a Metis Association card, is **not** entitled to tax relief under this bulletin.

Supplies made to Indians, Indian bands and band-empowered entities

Property

On a reserve

Indians, Indian bands or unincorporated band-empowered entities may acquire property on a reserve without paying the GST/HST, provided they show appropriate documentation to the vendor.

Corporations are considered to be separate legal persons from either an Indian or an Indian band and would not usually be eligible for relief from the GST/HST. However, incorporated band-empowered entities acquiring property on a reserve may be eligible for relief from the GST/HST if they are purchasing the property for band management activities.

Acquisitions of property by **non-Indians** on a reserve will be subject to the normal GST/HST rules.

Off a reserve

Indians, Indian bands and unincorporated band-empowered entities, as well as incorporated band-empowered entities purchasing for band management activities, may acquire property off a reserve without paying the GST/HST, provided the following:

- they show appropriate documentation to the vendor; and
- the property is delivered to a reserve by the vendor or the vendor’s agent (e.g., a common carrier).

³ Metis, Inuit or Indians from the United States are not included.

However, if purchasers use their own vehicle to transport the property to the reserve, the acquisition is subject to the normal GST/HST rules.

Delivery is not required if property is acquired off a reserve from a qualifying remote store. For information on remote stores, refer to the last section of this bulletin, "Remote stores and other off-reserve stores".

Intangible personal property

As intangible personal property (IPP) is not a physical object, it cannot be delivered to a reserve. However, tax relief may apply if the IPP is situated on a reserve. IPP will be considered to be situated on a reserve where there are sufficient factors to connect it to a reserve.

Examples

1. A ticket acquired by an Indian off a reserve to attend a concert will be considered situated on a reserve if the concert is held on a reserve.
2. The supply of software over the Internet will be considered to be situated on a reserve where the Indian purchaser lives on a reserve and the software supplier establishes that the software is downloaded onto a computer located on a reserve.
3. Where an Indian band or band-empowered entity registers an employee or other official to attend an off-reserve conference for band management activities, the conference fee (i.e., the consideration paid for the right to attend the conference) will be relieved of tax provided a certificate is given to the conference organizer (see "Vendor documentation").

Memberships

A membership comprises various rights to property or services, and is therefore considered to be an IPP. Since it is IPP and not a physical object that can be delivered to a reserve, the place where the membership can be used determines its tax status. For tax relief to apply, the rights provided by the membership must normally be exercisable exclusively on a reserve to be considered "situated" on a reserve. An Indian, Indian band or band-empowered entity may acquire an otherwise taxable membership on a tax-relieved basis where the remaining conditions of this bulletin are met.

Examples

1. The purchase of a membership by an Indian to a golf course will be considered to be situated on a reserve where all rights in respect of the membership (i.e. rights to property or services) can be used or exercised exclusively on a reserve.
2. Where the rights to property or services in respect of a recreation centre membership can only be used or exercised exclusively on a reserve, that membership will be situated on a reserve.

Leases, licences and similar arrangements

For information on how the GST/HST applies to tangible personal property acquired by Indians, Indian bands and band-empowered entities by way of lease, licence or similar arrangement refer, to Policy Statement P-230, *Application of the Excise Tax Act (ETA) to Leases, Licences and Similar Arrangements of Tangible Personal Property by Indians, Indian Bands and Band Empowered Entities*.

Importations

Importations made by Indians, Indian bands or band-empowered entities are subject to the normal importation rules where importations are subject to tax unless they are specifically zero-rated (i.e., taxable at the rate of 0%). The GST/HST on imported goods is collected by the Canada Border Services Agency under the authority of the *Customs Act* at the time of importation.

Importations of goods are subject to the GST/HST even in those instances where, after importation, the property is delivered to a reserve by the vendor's agent or by Canada Post.

In Ontario: If eligible, Ontario Indians, Indian bands and councils of Indian bands import qualifying goods, the Canada Border Services Agency may credit the Ontario part of the HST where the conditions in the Ontario Ministry of Finance's Harmonized Sales Tax Guide 80, *Ontario First Nations Point-of-Sale Exemptions*, are met.

Services

Indians

Services for property – If a service is performed totally on a reserve and the property for which the service is provided is situated on a reserve at that time, the GST/HST will not apply.

A repair service performed on a vehicle off a reserve will be subject to tax. If the repair service involves the provision of parts (e.g., a new engine) and the parts are supplied and invoiced separately on the Indian purchaser's invoice, the parts will be relieved of tax if the vehicle with the installed parts is delivered to a reserve by the vendor or vendor's agent.

Services for Indians – If the service is performed totally on a reserve for an Indian who is on a reserve at the time the service is performed (e.g., a haircut given on a reserve), the service will not be subject to the GST/HST.

Indians must pay the GST/HST on all taxable services that are not performed or do not occur totally on a reserve, unless the service is purchased for real property interests on a reserve or is a transportation service described below.

Services are subject to the normal GST/HST rules when they are provided to non-Indians on a reserve.

Transportation services – The GST/HST applies to transportation services, unless both the origin and the destination are on a reserve. In addition, the GST/HST would not apply on a transportation service provided to an Indian from one reserve to another.

Example

A taxi service operates within the boundaries of a reserve. It would not charge the GST/HST on the fare when the service is provided to an Indian.

Indian bands and band-empowered entities

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: Indian bands and band-empowered entities will pay the GST/HST on off-reserve purchases of transportation, short-term accommodation, meals and entertainment. A rebate to recover the GST/HST paid on these purchases may be available where certain conditions are met. See the section of this bulletin entitled “Rebates”.

All services acquired by an Indian band or band-empowered entity for real property **off** a reserve are subject to the GST/HST (e.g., construction services acquired by an Indian band to build a friendship centre located off a reserve).

Rebates

General rebates (reason codes 1 and 8 on Form GST189)

Reason code 1 – Indians, Indian bands and band-empowered entities who have paid any amount as GST/HST in error, where tax relief should have applied, can claim a general rebate under code 1 of Form GST189, *General Application for Rebate of GST/HST*, for the GST/HST. Original receipts or documents (e.g., invoices, waybills, freight bills) must be provided to support a rebate application under code 1.

For qualifying off-reserve purchases made in Ontario where only the Ontario point-of-sale relief should have been given, the code 1 rebate cannot be requested for amounts paid as the provincial part of the HST. Also, where the HST is payable on off-reserve purchases and there is no relief under this bulletin, the code 1 rebate is not available for either the federal or the provincial part of the HST. However, if an Indian or an Indian band thinks the Ontario point-of-sale relief should have applied, they should contact the Ontario Ministry of Revenue to see if a rebate is available.

Reason code 8 – An Indian band or a band-empowered entity may be entitled to recover the GST/HST paid on certain travel expenses (e.g., transportation⁴, meeting rooms, short-term accommodation, meals and entertainment expenses) incurred off a reserve by band employees or officials for band-management activities or for real property located on a reserve. A rebate to recover the GST/HST paid on such eligible travel expenses may be claimed under code 8 of Form GST189, *General Application for Rebate of GST/HST*. This form must be filed no later than two years after the GST/HST was paid. Travel expenses may also include reimbursements or allowances paid by an Indian band or band-empowered entity to a band employee or official. A rebate is not available on reimbursements or allowances paid to band members for costs related to personal travel (e.g., medical or dental appointments).

Indian bands and band-empowered entities cannot claim a code 8 rebate for any FNT or FNGST paid on purchases of eligible travel expenses.

PSB rebates

Where an amount of GST/HST paid on property acquired off a reserve by an Indian band or a band-empowered entity cannot be recovered using reason codes 1 or 8 explained above, some of the GST/HST payable may be recovered as a public service body (PSB) rebate. The PSB rebate under section 259 of the *Excise Tax Act* generally allows for partial recovery of the GST/HST. All the conditions of that section must be met.

The Indian band or band-empowered entity must determine if it is a qualifying non-profit organization (NPO) to be eligible for that rebate⁵. Please note that band funding of Indian non-profit organizations is considered equivalent to government funding for purposes of determining whether the person is a qualifying non-profit organization. For more information on the PSB rebate and the type of activities qualifying for this rebate, please see Guide RC4034, *GST/HST Public Service Bodies' Rebate – Includes Forms GST66 and RC7066 SCH*.

⁴ Transportation expenses may include freight costs, courier services, postage, airline tickets, taxi costs, parking and the rental of a car, but they do not include purchases of gasoline.

⁵ See GST/HST Policy Statement P-215, *Determination of whether an entity is a 'non-profit organization' for purpose of the Excise Tax Act ('ETA')*.

Documentary evidence to be retained by vendors

Vendors must keep adequate evidence for sales relieved under this bulletin.

Indians

For Indians, the vendor must make a notation of the following information on the invoice or other sales document that will be retained by the vendor:

- where the Indian shows the original status card, the registry number or the band name and family number (commonly referred to as the band number/treaty number) found on those cards;
- where the Indian shows the original Temporary Confirmation of Registration Document (TCRD), the registration number and the expiration of the TCRD⁶.

Indian bands and band-empowered entities

When the purchaser is an Indian band or band-empowered entity, a certificate (see example below) must be provided to, and retained by, the vendor to show the following:

- that the **property** is being acquired by an Indian band or an **unincorporated** band-empowered entity;
- in the case of an **incorporated** band-empowered entity, that the **property** is being acquired for band management activities or for real property on a reserve; or
- that the **service** is being acquired for band management activities or for real property on a reserve.

For more information on the entitlement for tax relief on acquisitions by incorporated and unincorporated band-empowered entities, please refer to the section entitled “Supplies made to Indians, Indian bands and band-empowered entities”.

The certificate should be similar in wording to the following:

<i>This is to certify that the property or service being acquired by [Insert the name of band or band-empowered entity] is for band management activities (if applicable) or for real property on the reserve. This supply will not be subject to the goods and services tax/harmonized sales tax (GST/HST).</i>	
_____	_____
<i>Signature of Authorized Officer</i>	<i>Date</i>

<i>Title of Signing Officer</i>	

Sales over the telephone, Internet and other electronic means

Vendors who make sales to Indians, Indian bands or band-empowered entities over the telephone or electronically must also maintain documentary evidence to show that the sale is relieved of tax. Since Indians cannot show their original status card or TCRD, and Indian bands and band-empowered entities cannot provide appropriate certification, when they make a purchase over the telephone or electronically, the CRA has taken the position that, to support their entitlement for tax relief, purchasers may subsequently provide a photocopy of their status card or TCRD (for Indians) or certification (for Indian bands or band-empowered entities) by mail or electronically (e.g., over the Internet or by facsimile).

⁶ As explained in GST/HST NOTICE264, *Sales Made to Indians and Documentary Evidence – Temporary Confirmation of Registration Document*, the CRA will accept, until further notice, an expired original TCRD as long as it is accompanied with an additional picture identification as further authentication.

For specific details on what information must be kept for sales made over the telephone or electronically, refer to GST/HST Info Sheet GI-127, *Documentary Evidence when Making Tax-Relieved Sales to Indians and Indian Bands over the Telephone, Internet or Other Electronic Means*.

Purchases of property made off a reserve and delivered to a reserve

If property is acquired from a vendor that is not located on a reserve, the property must be delivered to a reserve for the purchase to be relieved of the GST/HST. Along with the information collected from a status card or a TCRD, in the case of Indians, or the certification provided by the Indian band or band-empowered entity, the vendor is required to maintain proof of delivery (e.g., waybill, postal receipt or freight bill) to show that the property was delivered to a reserve. The property must be delivered by either the vendor or an agent of the vendor.

If these conditions are not met, or if the vendor does not qualify as one of the remote stores described in the last section of this bulletin entitled “Remote stores and other off-reserve stores”, the normal GST/HST rules apply.

Also, generally, there is no tax relief when purchasers acquire property, and take possession of the property, off a reserve and choose to deliver it to a reserve themselves in their own vehicle, even if the goods are destined to be used or consumed on a reserve.

Delivery by vendor

Where property is delivered to a reserve in the vendor’s own vehicle, the vendor must maintain acceptable proof that delivery was made to a reserve. This will be indicated on the invoice issued by the vendor and the vendor’s internal records. Acceptable evidence may be the driver’s log information, expense reports (e.g., fuel purchases, mileage logs, dispatch records), disbursement records relating to the delivery, and signature of the Indian purchaser or the Indian band’s representative attesting the property was received on a reserve. Such proof must be maintained in addition to the proof of Indian status or certification by an Indian band or band-empowered entity.

Delivery by vendor’s agent

Where the property is delivered by the vendor’s agent to a reserve, the vendor must maintain:

- proof of Indian status or certification by the Indian band or band-empowered entity; and
- proof of delivery being made to the reserve (e.g., a waybill, postal receipt showing a reserve address).

An agent of the vendor includes an individual or company under contract to the vendor for making deliveries (e.g., postal services, trains, boats or couriers). The vendor would normally bear all the risks of the agent during the course of the delivery as if these risks were the vendor’s own, unless specifically covered in the agency agreement.

A carrier who is under contract with the purchaser is not regarded as the agent of the vendor. In addition, undertakings by purchasers of property to deliver the property to themselves as agents of the vendor are not acceptable to the CRA.

Supplies provided by Indians, Indian bands and band-empowered entities

Businesses owned by Indians, Indian bands or band-empowered entities whose worldwide revenues from taxable sales⁷ of property and services are more than \$30,000 (or \$50,000 if they are a public service body) in the past four consecutive calendar quarters or in a single calendar quarter, are required to register for the GST/HST. Like other businesses, once registered, they must collect and remit the tax on their sales of property and services (unless the sales are made to Indians, Indian bands or band-empowered entities under conditions where the GST/HST is not payable). They may also claim input tax credits for the GST/HST paid on purchases made in the course of their commercial activities. For detailed information on being a registrant, refer to Guide RC4022, *General Information for GST/HST Registrants*.

Businesses, whether owned by Indian or non-Indians, that sell property or services to Indians, Indian bands or band-empowered entities must include those taxable sales in their calculation of annual revenue to determine if they must register for the GST/HST. Sales of taxable property and services that are relieved from tax when supplied to Indians, Indian bands or band-empowered entities under the circumstances described in this bulletin are still considered to be taxable sales for determining registration requirements.

Sole proprietorships and partnerships owned by Indians receive the same treatment on purchases as Indians. If they are registered for the GST/HST, they, like all other businesses, must collect the GST/HST on their sales of taxable property and services (unless they are made to Indians, Indian bands or band-empowered entities under the conditions in which the GST/HST is not payable) and they can recover any GST/HST paid on their eligible off-reserve business purchases by claiming input tax credits.

In the case of purchases made by partnerships, tax relief is available for purchases made in either the Indian purchaser's own name or the partnership name. Where a partnership has both Indian and non-Indian participants, relief from the GST/HST will apply fully to the partnership. Partnerships with partners that are Indian bands or band-empowered entities are also afforded tax relief on purchases when acquired in either the name of the Indian band or the band-empowered entity or the partnership name. However, all conditions for the Indian or Indian band partner to receive tax relief on the acquisition must be met, i.e., property must be acquired on a reserve or delivered to a reserve and the proper documentation must be maintained.

It is important to establish whether you are dealing with a partnership or a joint venture. GST/HST Policy Statement P-171R, *Distinguishing Between a Joint Venture and a Partnership for the Purposes of the Section 273 Joint Venture Election* may be of assistance.

Where a joint venture election under section 273 of the *Excise Tax Act* is made and the operator is an Indian, Indian band or band-empowered entity, the operator will qualify for tax relief on property where the requirements in this bulletin apply. An election as operator may be made provided the joint venture is involved in a commercial activity for the exploration or exploitation of mineral deposits or is a prescribed activity.

For purposes of the *Excise Tax Act*, a trust is considered a separate person from its beneficiaries. Consequently, a trust is not an Indian or an Indian band and is not eligible for relief under this bulletin. In addition, a trust does not qualify as a band-empowered entity as it cannot meet the "owned or controlled" criteria. However, a supply provided by a trust (e.g., an estate) to an Indian, an Indian band or a band-empowered entity (e.g., a beneficiary) may be eligible for relief under this bulletin.

⁷ These include zero-rated and on-reserve tax-relieved sales made to Indians, Indian bands and band-empowered entities.

Remote stores and other off-reserve stores

Some vendors who are not located on a reserve may make a significant portion of their sales to Indians, Indian bands and band-empowered entities. In some instances, these vendors are in a remote location and their regular trading zone includes a reserve that is not in the immediate vicinity. In such cases, the requirement to deliver goods to a reserve in order for tax relief to apply may be difficult for the vendor to meet (e.g., because of prohibitive cost or a lack of means of transportation).

In recognition of these unique circumstances, the CRA has developed a policy to enable vendors who meet certain conditions to provide point-of-sale tax relief to Indians, Indian bands and band-empowered entities on the acquisition of goods without the need to deliver those goods to a reserve. For more information on this subject, refer to the GST/HST Policy Statement P-246, *Remote Stores and Other Off-Reserve Stores with Significant Sales to Indians, Indian Bands and Band-empowered Entities*.

Enquiries by telephone

Technical enquiries on the GST/HST:	1-800-959-8287
General enquiries on the GST/HST:	1-800-959-5525 (Business Enquiries)
If you are located in Quebec:	1-800-567-4692 (Revenu Québec)

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