

# Taxation for First Nations



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# Information Resources

- CRA website:
  - <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/charge-collect-indigenous-peoples.html>
- CRA GST technical unit:
  - 1-800-959-8287
- Auditors



## Paying HST

- No HST for property or services provided on/delivered to a reserve
- No HST for services off reserve used for band management activities or for land and buildings on reserve
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- HST applies to
  - property bought off reserve and not delivered to reserve by vendor
  - services off reserve not used for band management activities or real property on reserve
  - imported property
- Ontario point of sale rebate is available for the provincial portion of HST (8%) on off reserve purchases
- Requirement to provide an exemption letter to the vendor



## 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.”
- Special rule for travel expenses – must pay HST and then apply for a rebate. Travel includes:
  - transportation
  - short-term accommodation
  - meals or entertainment



## Exemption Letter Wording – CRA

Date

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 or for real property on the reserve. This supply will not be subject to the harmonized sales tax (GST/HST).

Signature of Authorized Officer  
Title of Signing Officer



# Exemption Letter – Ontario Point of Sale Rebate

Date

Vendor name and address

RE: First Nation Name – Ontario Point-of-sale HST Rebate

This letter is a certification that goods (services) purchased from Vendor Name are exclusively for consumption or use by the band and qualify for the Ontario point-of-sale HST rebate.

Signature of Authorized Officer  
Title of Signing Office



## HST Rebates

- Form GST189 – General application for an HST rebate – 100% rebate
- HST paid in error – reason code 1A
- HST paid in travel – reason code 8

<https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/gst189/gst189-20e.pdf>

- Application for a rebate of Ontario portion of HST for First Nations

[https://www.fin.gov.on.ca/en/tax/hst/refund\\_rebate.html](https://www.fin.gov.on.ca/en/tax/hst/refund_rebate.html)

- Form GST66 – Public Service Body rebate – 50% rebate for the federal portion of HST (5%)

<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/gst66.html>



## HST Rebates – Continued

- Consider a designation as municipality for HST purposes – 100% rebate of federal portion of HST
- Requires sending a written request to CRA

[https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4049/gst-hst-information-municipalities.html#P209\\_17574](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4049/gst-hst-information-municipalities.html#P209_17574)





## Commercial Activities

- Must register for HST once sales exceed \$30,000 in a year (including status sales). Call CRA at 1-800-959-5525 to register
- Must file HST returns annually (sales under \$1.5M), quarterly (sales between \$1.5M and \$6M) or monthly (sales over \$6M)
- Can claim back 100% of HST paid (input tax credits)
- Must charge HST from non status client and for off reserve services for status clients
- File GST on GST Netfile website – CRA will mail a code for accessing it
- Example



# Practical Application for First Nations Finance

Thank you for your time



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