

MEMORANDUM

To: First Nations, PTOs, and Tribal Councils in Ontario
From: Regional Chief Stan Beardy
Date: May 31, 2013
Re: First Nations Point of Sale Tax Exemption
Copy: Political Confederacy

When the provincial and federal governments came to an agreement to harmonize the federal Goods and Services Tax (GST) with the Provincial Sales Tax (PST) in 2009, they failed to consult with First Nations on the impact this would have on the First Nations Point of Sales Tax Exemption (FN-POS). As a result, the FN-POS was slated to end on June 30, 2010. However, following extensive political advocacy and direct action by First Nations people on the ground, First Nations were successful in maintaining the point of sale tax exemption which exempts First Nations from the 8% provincial portion of the HST.

When agreement was reached to continue the point of sale tax exemption, the intent was for retailers to provide the exemption at the point of sale but the province took the position that they could not force retailers to do this but would strongly encourage them to provide it. They then created a refund mechanism whereby a First Nation person wrongly charged tax at the point of sale could file for a refund with the province after the fact.

Immediately following confirmation that the FN-POS exemption would continue, there were reports that many retailers were not providing the tax exemption at the point of sale. There have been ongoing implementation issues that need to be monitored and addressed.

Recently, my office received a report that a First Nation person attempted to make a purchase and obtain the point of sale tax exemption but were refused the listed price and instead advised that they had to pay a different price referred to as the price under the "status card account," which was a higher price. This is obviously not supposed to happen and was not agreed to.

I am interested in obtaining information on similar incidents where a First Nation person has been refused the tax exemption at the point of sale or were asked to pay a higher price. These issues will be reported to the Political Confederacy and a strategy to address and monitor these issues will be implemented.

Please contact Pam Hunter at Pam.Hunter@coo.org if you have any information with regards to this matter.

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