

Ontario First Nations HST Point-of-Sale Exemption

This publication provides an overview of the Harmonized Sales Tax (HST) point-of-sale exemption for First Nations, and may be used as a quick reference by purchasers and suppliers. More detailed information is outlined in **Ontario First Nations Point-of-Sale Exemptions** and in our publication entitled **What's Taxable Off-Reserve Under the HST and What's Not?**

If you require additional information please contact the Ministry of Finance toll free at 1 866 ONT-TAXS (1 866 668-8297) or visit ontario.ca/finance.

For information on the obligation to pay the federal and provincial portions of the Harmonized Sales Tax (HST), contact the **Canada Revenue Agency** at 1 800 959-5525 or visit www.cra.gc.ca/gsthst.

The contents of this publication do not affect, or interfere with, the application of the exemption under section 87 of the Indian Act and its effect on the Goods and Services Tax/Harmonized Sales Tax (GST/HST).

Disclaimer

The information contained in this publication is provided only as a guideline and is not intended to replace the legislation.

What is the HST point-of-sale exemption for first nations?

Effective September 1, 2010, Ontario Status Indians¹, Indian bands and councils of an Indian band are eligible for an exemption from paying the eight per cent Ontario component of the HST on qualifying property or services at the point of sale.

The point-of-sale exemption for the Status Indians, Indian bands and councils of an Indian band applies only to qualifying off-reserve acquisitions or importations of property or services that are for

¹ The Ontario Ministry of Finance recognizes that many First Nations people prefer not to describe themselves as Indians. However, the term Indian is used in this document because it has a legal meaning in the Indian Act.

the personal consumption of the Status Indian or exclusively for consumption or use by the band or the council of the band.

The First Nations point-of-sale exemption will not apply where other relief is available, such as:

- when the purchaser is eligible for input tax credits for the HST payable (e.g., because the purchase is for use in the purchaser's commercial activities);
- in cases where the supply is already relieved of the HST because it is zero-rated (e.g., basic groceries) or exempt (e.g., certain health care services); or
- when the property is a designated item that qualifies for an Ontario point-of-sale rebate for the Ontario component of the HST (e.g., children's clothing, printed books).

What property or services qualify for the HST point-of-sale exemption?

The following property or services qualify for the point-of-sale exemption when acquired in or imported into Ontario:

- Tangible personal property (goods, including new and used motor vehicles purchased from a motor vehicle dealer, clothes, furniture, household articles, and take-out meals) other than tangible personal property listed in this publication as not qualifying for the point-of-sale exemption;
- An agreement for warranty or maintenance of the qualifying tangible personal property;
- A service of installing, assembling, dismantling, adjusting, repairing or maintaining the qualifying tangible personal property; and
- A telecommunication service (including cable television, telephone, internet) within the meaning of Part IX of the Excise Tax Act (Canada).

Generally, services eligible for the point-of-sale exemption are those that had been exempt from Retail Sales Tax (RST) only when purchased by a Status Indian.

What property does not qualify for the HST point-of-sale exemption?

The following tangible personal property acquired off-reserve does not qualify for the point-of-sale exemption and remains subject to the HST:

- Restaurant meals other than take-out meals;
- Tangible personal property supplied under an agreement for catering services;
- Electricity, natural gas or any other form of energy;
- Gasoline within the meaning of the Gasoline Tax Act and fuel within the meaning of the Fuel Tax Act;
- Liquor, beer, wine and other alcoholic beverages; and
- Tobacco within the meaning of the Tobacco Tax Act.

Are there other property or services that are excluded from the HST point-of-sale exemption?

The following are examples of property and services that do not qualify for the point-of-sale exemption and therefore are subject to the HST:

- Intangible personal property (e.g., memberships, tickets, intellectual property rights) that is not situated on a reserve;
- Real property (e.g., new homes, condos and mobile homes), transient accommodation (i.e., hotel accommodation), and parking, that is not located on a reserve;
- Services that were not taxable under RST (e.g., car washing, jewellery engraving); and
- All other services that are not GST/HST relieved to the general public will generally remain taxable to Status Indians under HST when they are not performed on a reserve (e.g., haircuts, massage therapy, dry-cleaning, home renovations, funeral services, veterinary services).

Distribution channels where the HST point-of-sale exemption is not permitted

Vendors are not allowed to provide the point-of-sale exemption for qualifying property or services when purchased via the Internet or through other distribution channels for which the presentation of a Certificate of Indian Status card to verify eligibility is not possible. In addition, the point-of-sale exemption will not be credited on goods imported by mail or courier.

When Status Indians, Indian bands and councils of an Indian band acquire qualifying property or services through these distribution channels, they may claim a refund from the Ontario Ministry of Finance of the eight per cent Ontario component of the HST paid.

Request for written interpretations

To obtain a written interpretation on a specific situation not addressed in this publication, please send your request in writing to:

Ministry of Finance
Advisory Services
Retail Sales Tax
33 King Street West, 3rd Floor
Oshawa ON L1H 8H5

Related publications

Other publications providing further details on this topic include:

- **Ontario First Nations Point-of-Sale-Exemptions**
- **What's Taxable Off-Reserve Under the HST and What's Not?**
- Suppliers can also refer to the Canada Revenue Agency publication entitled **GI-106 Ontario First Nations Point-of-Sale Relief - Reporting Requirements for GST/HST Registrant Suppliers**

For more information

Visit ontario.ca/finance or contact the Ministry of Finance at 1 866 ONT-TAXS (1 866 668-8297) or 1 800 263-7776 for teletypewriter (TTY).

Cette publication est disponible en français sous le titre « Exemption de la TVH au point de vente à l'intention des Premières Nations de l'Ontario ». Vous pouvez en obtenir un exemplaire en appelant le 1 866 ONT-TAXS (1 866 668-8297) ou en visitant ontario.ca/finances.

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