



Exemptions for First Nations

Provincial Sales Tax Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this bulletin dated August 2015. For a summary of the changes, see Latest Revision at the end of this document.*

This bulletin explains the provincial sales tax (PST) exemptions that apply to sales and leases to First Nations individuals and bands.

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Overview

First Nations individuals and bands are generally exempt from PST when they purchase goods or services on First Nations land. To qualify for the exemption, the goods purchased must be for the personal use of the First Nations individual or for the use of the band.

Personal use means for the beneficial use of the purchaser and may include business or commercial use. For example, a First Nations individual is exempt from PST when they purchase goods for business use in their sole proprietorship.

First Nations individuals are not exempt from PST when they purchase or lease goods:

- for business use in a corporation, cooperative, tribal council or band-empowered entity, or
- for use by a person other than a First Nations individual or band.

Information on the exemptions for related services, legal services and software is provided below.

For information on how the exemptions for First Nations apply to partnerships involving First Nations, see [Bulletin PST 319, Partnerships](#).

Definitions

In this bulletin:

- **band** has the same meaning as in section 2 of the *Indian Act* (Canada)
- **a First Nations individual** is an individual who is an Indian under the *Indian Act* (Canada) and whose property is exempt from taxation under section 87 of the *Indian Act* (Canada) or a provision of a final agreement equivalent to that section.
- **First Nations land** means reserve land or former reserve land now part of treaty lands. For more information on when former reserve land that is now part of treaty lands may be considered as First Nations land, see the definition of “First Nation land” in [section 1\(1\)](#) of the Provincial Sales Tax Exemption and Refund Regulation.

Note: First Nations land does **not** include Nisga’a lands. For more information, see Nisga’a Lands and Nisga’a Citizens below.

Procedures for Providing Exemptions

To provide exemptions to First Nations individuals and bands, you must:

- follow the documentation procedures provided below, and
- ensure the sale or lease meets the criteria for an exemption (see the relevant sections below for the criteria for each exemption).

If these requirements are **not** met, you must charge and collect PST.

Documentation Procedures

First Nations Individuals

Indigenous and Northern Affairs Canada (INAC) (previously Aboriginal Affairs and Northern Development Canada) issues *Certificate of Indian Status* cards to each individual that is registered as an Indian under the *Indian Act* (Canada) provided they apply for the card.

Recently, INAC introduced a new secure *Certificate of Indian Status* (SCIS) card. Including the SCIS card, there are four valid types of *Certificate of Indian Status* cards in circulation. In time, the older cards will be replaced with the SCIS card.

Generally, First Nations individuals who have a valid *Certificate of Indian Status* card are eligible for PST exemptions.

However, Treaty First Nations individuals (e.g. Nisga’a citizens) are not eligible for PST exemptions after the applicable date outlined in their treaty. The new SCIS card issued to Treaty First Nations individuals states, “Cardholder is not eligible for sales/transaction tax exemption after DATE”.

The other three remaining *Certificate of Indian Status* cards in circulation do not indicate when the cardholder is no longer eligible for the sales tax exemptions (see below for more information on Treaty First Nations individuals that do not qualify for an exemption).

Each *Certificate of Indian Status* card bears the cardholder's photograph, name, signature, and either a band name and number or a registry number. The first three digits of the registry number is the band number.

When presented with a *Certificate of Indian Status* card by an individual requesting exemption as a First Nations individual, you must ensure the individual qualifies for exemption and follow the documentation procedures listed below:

1. Ensure the photograph on the status card is that of your customer.
2. From the information on the card, record the individual's name, and their band's name and number or the registration number.
3. Obtain your customer's signature on the sales slip or invoice.
4. Ensure this signature matches the signature on the card.

For some sales and leases, such as sales of goods where the seller delivers the goods to a purchaser on First Nations land, additional documentation procedures apply (see the relevant sections below).

Note: For sales and leases that are conducted by phone or online, you may accept a fax, mail or digital copy of the front and back of your customer's *Certificate of Indian Status Card* instead of following the four procedures referred to above. However, you must still ensure your customer is not a Nisga'a citizen by reviewing their *Certificate of Indian Status Card* (see below).

First Nations Treaty Individuals that do not Qualify for Exemption

Citizens of the Nisga'a Nation have *Certificate of Indian Status* cards, but are not eligible for the PST exemption (other than for certain legal services relating to First Nations negotiations; see below). If you are presented with a *Certificate of Indian Status* card that identifies the individual as a member of one of the following villages, you must not provide a First Nations exemption to that individual. For more information, see Nisga'a Lands and Nisga'a Citizens below.

Band Number	Village
671	Village of Gingolx
677	Village of New Aiyansh
678	Village of Laxgalt'sap
679	Village of Gitwinksihlkw

Temporary Confirmation of Registration Document

If an individual has recently applied for and has not yet received their *Certificate of Indian Status Card*, you may accept their *Temporary Confirmation of Registration Document* (TCRD) issued by INAC as proof the individual qualifies for PST exemptions as a First Nations individual. If an individual provides you with a TCRD, they must also show a piece of government-issued photo identification, such as a passport, driver's licence or BCID card.

When presented with a TCRD, you must ensure the individual qualifies for exemption and follow the documentation procedures listed below:

1. Ensure the photo identification matches your customer.

2. Ensure the information on the photo identification matches the information on the TCRD.
3. Ensure the TCRD has not expired.
4. Obtain your customer's signature on the sales slip or invoice.
5. Ensure this signature matches the signature on the photo identification.

For information on the Temporary Confirmation of Registration Document, see [INAC's website](#).

Bands

Purchases and leases made in the name of a band qualify for the exemptions for First Nations bands provided that the criteria of the exemptions are met. However, if an individual or band council makes purchases and leases on behalf of a band (i.e. the agreement is not specifically made in the name of the band), the individual or band council must have written authorization from the band to act for the band. The authorization must show the band name and number, and be signed by an appropriate band official. When presented with an individual's written authorization to act for the band, you must verify the individual's identification and follow the documentation procedures listed below.

1. Verify the individual's identification matches the name of the individual authorized by the band.
2. Record the individual's name, the band's name and number, and the name of the band member who signed the authorization letter.
3. Obtain the individual's signature on the sales slip or invoice.

For some sales and leases, additional documentation procedures apply (see the relevant sections below).

Note: For sales and leases that are conducted by phone or online, you may accept a fax, mail or digital copy of the individual's identification and their written authorization from the band instead of following the three procedures above.

Corporations, Cooperatives, Tribal Councils and Band-empowered Entities

Corporations or cooperatives with First Nations shareholders, tribal councils and band-empowered entities are not eligible for this exemption (other than for legal services relating to First Nations negotiations; see First Nations Negotiations below). PST applies to sales and leases to these organizations.

Customer Does not Provide the Required Documentation at the Time of Sale or Lease

If your customer does not provide the required documentation to claim an exemption at the time of the sale or lease, you must charge and collect PST on the sale or lease. You may refund or credit your customer the PST paid if they provide the required documentation within 180 days of the date the PST was paid.

Books and Records

You must keep the documentation referred to above to show why you did not charge PST on sales and leases to First Nations individuals and bands. You must also have evidence the sale or lease met the criteria for the exemption (e.g. for sales of goods, title to the goods must pass on First Nations land). Criteria for each type of sale or lease are provided in the sections below. If you do not keep these records, you may be assessed PST, plus penalties and interest.

Exemption for Purchases of Goods

General Goods

Goods purchased by a First Nations individual or band are exempt from PST if title to the goods passes on First Nations land. This includes goods purchased on First Nations land as well as purchases negotiated off First Nations land where the goods are delivered to First Nations land, provided that title to the goods passes on First Nations land.

When Title Passes on First Nations Land

If the goods are delivered from a location off First Nations land, for title to pass on First Nations land the goods must be delivered by the seller or by a common carrier under contract with the seller, and the seller must retain ownership and responsibility for the goods until they are delivered to the First Nations individual or band on First Nations land.

Note: Multijurisdictional vehicles (MJVs) that are purchased by a First Nations individual or band are exempt from MJV tax if title to the MJV passes on First Nations land. For more information, see [Bulletin PST 135](#), *Multijurisdictional Vehicles*.

Additional Documentation Procedures – Delivered Goods

If you are a seller located off First Nations land and you deliver goods to First Nations individuals and bands on First Nations land, to show why you did not charge PST you must keep evidence that:

- the goods were shipped or delivered to First Nations land (e.g. bills of lading, shipping invoices or similar documentation), and
- title to the goods did not pass to the First Nations individual or band until the goods were located on First Nations land (e.g. the sales contract or invoice states the sale is made F.O.B. reserve land).

Energy Products

Energy products (e.g. electricity, natural gas, kerosene, non-motor fuel oil, heating oil, steam and heat) purchased by a First Nations individual or band are exempt from PST if title to the energy products passes on First Nations land. This includes energy products purchased on First Nations land, as well as energy products delivered to a location on First Nations land, provided title to the goods passes on First Nations land.

The exemption also applies to the 0.4% tax on energy products (ICE Fund tax). For more information see [Bulletin PST 203](#), *Energy, Energy Conservation and the ICE Fund Tax*.

Exemption for Leases of Goods

Goods leased by a First Nations individual or band are exempt from PST if the interest in the lease is located on First Nations land.

For First Nations individuals, the interest in the lease is considered to be located on First Nations land if the individual resides on First Nations land.

The First Nations individual or band does not need to receive possession of the leased goods on First Nations land for the exemption to apply. However, for a lease buy-out to be exempt from PST, title to the goods must transfer on First Nations land.

For information see [Bulletin PST 315](#), *Rentals and Leases of Goods*.

Note: If the item being leased is a passenger vehicle, the exemption also applies to the \$1.50 per day passenger vehicle rental tax (PVRT). For more information on the PVRT, see [Bulletin PST 116](#), *Motor Vehicle Dealers and Leasing Companies*. If the item being leased is an MJV, the exemption also applies to the MJV tax. For more information on MJVs, see [Bulletin PST 135](#), *Multijurisdictional Vehicles*.

Additional Documentation Procedures: First Nations Individuals

When a First Nations individual (the lessee) requests an exemption from PST on the lease of goods, you must ensure that:

- the lessee meets the criteria listed in the section above, Procedures for Providing Exemptions, and
- the lessee can demonstrate they reside on First Nations land. The lessee may do so by presenting identification that shows their current address on First Nations land, or by providing a letter from their band certifying they reside on First Nations land.

You must record the information on the individual's identification (e.g. driver's licence number) and their address as shown on the identification, or retain a photocopy of the identification or letter from the band.

If the lessee cannot provide this identification, or you are unable to determine the address is on First Nations land, you must charge PST.

Exemption for Services

Related Services

Related services are services provided to goods. Related services purchased by a First Nations individual or band are exempt from PST if the related services are provided wholly on First Nations land.

For more information, see [Bulletin PST 301](#), *Related Services*.

Legal Services

Legal Services Provided to First Nations Individuals or Bands

Legal services purchased by a First Nations individual or band are exempt from PST if the legal services:

- relate to real property situated on First Nations land, **or**
- are performed on First Nations land (i.e. the lawyer is physically present on First Nations land while the legal services are performed).

First Nations Negotiations

Legal services purchased by an aboriginal organization representing the interests of Indians and bands under the *Indian Act* (Canada) are exempt from PST if the legal services relate to any of the following:

- Aboriginal treaty or land claims negotiations
- Consultations with the provincial or federal governments in relation to aboriginal rights or aboriginal title, or in relation to interim agreements that relate to aboriginal rights or aboriginal title

- Negotiations that relate to existing treaties or treaty rights
- Negotiations with other aboriginal organizations in relation to overlapping treaty or land claims

For more information, see [Bulletin PST 106](#), *Legal Services*.

Telecommunication Services

Telecommunication services purchased by a First Nations individual or band are exempt from PST if they are purchased for use on or with an electronic device that is owned or leased by the First Nations individual or band and is ordinarily situated on First Nations land.

For more information see [Bulletin PST 107](#), *Telecommunication Services*.

Exemption for Software

Software purchased by a First Nations individual or band is exempt from PST if the software is purchased for use on or with an electronic device that is owned or leased by the First Nations individual or band and is ordinarily situated on First Nations land.

For information see [Bulletin PST 105](#), *Software*.

Exemption for Accommodation

Sales of accommodation to a First Nations individual or band are exempt from PST and the up to 3% municipal and regional district tax (MRDT) if the accommodation is provided wholly on First Nations land.

For more information, see [Bulletin PST 120](#), *Accommodation*.

Improvements to Real Property

Contractors are exempt from the PST on goods they obtain to fulfil a **written** contract to supply and affix, or install, affixed machinery or improvements to real property located in BC, if all the following criteria are met:

- under the terms of the contract, the goods will be used so that they cease to be personal property at common law (e.g. they will be incorporated into real property),
- the contract is with a First Nations individual or band, and
- the contractor obtained the goods in such a manner that if the First Nations individual or band had obtained the goods instead of the contractor, the First Nations individual or band would have been exempt from PST. For purchases of goods (e.g. building materials), **the contractor must receive title to the goods on First Nations land**. This applies regardless of whether the location at which the contractor will ultimately be affixing or installing the goods to real property is on or off First Nations land.

Contractors who are exempt from PST for the above reason may obtain the goods exempt at the time of sale by providing a *Certificate of Exemption – Contractor* ([FIN 491](#)) that has been completed by both the contractor **and** the First Nations individual or band. Contractors cannot use their PST number to obtain this exemption.

Subcontractors who perform work for a general contractor who is exempt from PST for the above reason are also eligible for this exemption. To obtain the goods exempt at the time of sale, subcontractors must provide both of the following documents to their supplier:

- a *Certificate of Exemption – Subcontractor* ([FIN 493](#)) completed by the subcontractor, **and**
- a copy of the *Certificate of Exemption – Contractor* ([FIN 491](#)) that has been completed by both the general contractor and their customer who is exempt from PST.

Subcontractors cannot use their PST number to obtain this exemption.

For more information see [Bulletin PST 501](#), *Real Property Contractors*.

Special Occasion Liquor Licences

The special PST rules set out below apply if liquor under a Special Occasion Licence is:

- purchased on First Nations land by a First Nations individual or band, if the liquor will be provided by the First Nations individual or band at no charge at an event (e.g. an open bar at a wedding), or
- for sale at an event on First Nations land.

In all other situations, the general PST rules apply. For more information, see [Bulletin PST 300](#), *Special Occasion Liquor Licences*.

Liquor Purchased by First Nations Individuals and Bands on First Nations Land, If the Liquor Will be Provided at No Charge

If a First Nations individual or band purchases liquor under a Special Occasion Licence on First Nations land, and the liquor will be provided at no charge at an event, the First Nations individual or band is exempt from paying PST on the liquor. This applies regardless of whether the event will be on First Nations land or the liquor will be consumed by First Nations individuals.

Liquor Purchased for Sale at an Event on First Nations Land

When you purchase a Special Occasion Licence to sell liquor at an event on First Nations land, you will be required to:

- estimate the amount and expected selling price of the liquor you will sell, and
- pay an amount equal to the PST (PST equivalent amount) on the markup (i.e. the difference between the price you pay for the liquor and the expected selling price) if you will be selling liquor above the price you pay for the liquor.

At or after the time you purchase the Special Occasion Licence, you can purchase liquor using that licence. When you purchase the liquor, you will pay PST at 10% on the purchase price of the liquor.

For more information, see [Bulletin PST 300](#), *Special Occasion Liquor Licences*.

During your event, you must:

- charge 10% PST on your sales of liquor to non-First Nations individuals, and
- follow the documentation procedures for exempt sales of liquor to First Nations individuals provided in the section above, Documentation Procedures: First Nations Individuals. You must keep the required documentation to show why you did not charge PST.

If the PST you collect on your sales is equal to the PST you paid on the liquor plus the PST equivalent amount you paid when you purchased the licence, you are entitled to keep all the PST you collect on the sale of the liquor.

Actual Liquor Sales are Greater than Estimated

If your actual taxable liquor sales are greater than what you estimated when you purchased the Special Occasion Licence (e.g. you sold the liquor at a higher price), you must remit to the ministry the amount of PST collected **less** the total of:

- any PST you paid when you purchased the liquor, and
- the PST equivalent amount you paid on the mark-up when you purchased the licence.

You must remit the additional PST to the ministry on or before the last day of the month after the month in which the Special Occasion Licence expires. For example, if the licence expires on July 22, you must remit the additional PST on or before August 31.

If you are a PST collector who files monthly, you may remit the additional PST collected on your PST return for the reporting period that includes the month in which the Special Occasion Licence expires. However, if you are not a collector or if you are a PST collector who does not file monthly returns, you must self-assess the additional PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month in which the licence expires.

Refunds

Applying for Refunds

To apply for the refunds discussed below, complete the *Application for Refund - General* ([FIN 355](#)) and include the following documents:

- a statement explaining the reason for claiming the refund,
- a copy of the Special Occasion Licence showing the PST equivalent amount you paid on the liquor,
- documentation showing how much liquor you originally purchased from the BC liquor store,
- documentation showing how much liquor you returned to the BC liquor store (after the event),
- cash register tapes verifying the total liquor purchased for the event, and
- any additional documentation set out in the sections below.

Cancelled Events and Returns of Unsold Liquor

If your event is cancelled or you have unsold liquor at the end of your event, you can get a refund of the PST you paid on any liquor you purchased, provided you return the unsold liquor to the liquor store. The BC Liquor Store will refund the PST you paid on the liquor but you will need to apply to the ministry for a refund of the PST equivalent amount you paid on the mark-up.

When you apply for a refund, you must, in addition to the documentation listed above, include documentation from the BC Liquor Store confirming you returned the liquor (such as a copy of a refund receipt from the BC Liquor Store).

Actual Selling Price was Less than Estimated

You may apply for a refund from the ministry if the actual selling price of the liquor was less than you originally estimated. The ministry will refund the difference between the PST equivalent amount you paid on the mark-up and the amount that should have been paid based on the lower selling price.

When you apply for a refund, you must, in addition to the documentation listed above, include sales records indicating the quantity and price of each type of liquor sold at the event.

Exempt Sales to First Nations Individuals

As noted above, you must pay the PST and PST equivalent amounts when you purchase liquor for resale under a Special Occasion Licence. If you later make exempt sales to First Nations individuals on First Nations land under the licence, you may apply for a refund from the ministry of both the PST and PST equivalent amounts you paid in relation to the liquor you sold exempt.

When you apply for a refund, you must, in addition to the documentation listed above, include sales records indicating the quantity and price of each type of liquor sold at the event to First Nations individuals. You may also be asked for:

- records to show that at the time of making an exempt sale to First Nations individuals, you followed the documentation procedures provided in the section above, Documentation Procedures: First Nations Individuals, and
- proof the event occurred on First Nations land.

First Nations Farmers

A First Nations individual is a qualifying farmer if they:

- use First Nations land for a qualifying agricultural use (e.g. raising livestock), as defined under the *Assessment Act*, and
- earned at least \$2,500 in gross income from the qualifying agricultural use of the First Nations land in the previous calendar year.

For more information, see [Bulletin PST 101](#), *Farmers*.

Note: The exemptions for First Nations individuals who are qualifying farmers described in [Bulletin PST 101](#), *Farmers*, are in addition to the general exemptions available to purchases and leases by First Nations individuals described in this bulletin.

Exemptions from Other Taxes

First Nations individuals and bands are also exempt from carbon tax, motor fuel tax and tobacco tax, provided certain criteria are met. For more information, see the following bulletins:

- carbon tax and motor fuel tax: [Bulletin MFT-CT 002](#), *Sales to First Nations, and the Exempt Fuel Retailer Program*
- tobacco tax: [Bulletin TTA 001](#), *Exempt Sales Made by Retail Dealers (ESRDs)*

Treaty First Nations

Treaty First Nations Governments

Currently, the following First Nations governments have a treaty in effect with Canada and BC that sets out a unique taxation structure:

Effective Date of Treaty	First Nations Government or Government Entity
May 11, 2000	Nisga'a Lisims Government Nisga'a Village Governments Other Government Entities of the Nisga'a Nation See Nisga'a Nation Taxation Agreement and Amendment Agreement
April 3, 2009	Tsawwassen First Nation Government and Government Entities See Tsawwassen First Nation Tax Treatment Agreement and Amendment Agreement
April 1, 2011	Maa-nulth First Nations and Government Entities which include the following distinct Treaty Governments: <ul style="list-style-type: none"> ▪ Huu-ay-aht First Nations ▪ Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations ▪ Toquaht Nation ▪ Uchucklesaht Tribe ▪ Yuułu?iŋ?ath (legally Ucluelet First Nation) See Maa-nulth First Nations Tax Treatment Agreement and Amendment Agreement
April 5, 2016	Tla'amin (Sliammon) First Nation and Government Entities See Tla'amin Tax Treatment Agreement

Treaty First Nations governments do not qualify for the general exemptions for purchases and leases of goods or services on First Nations land. Therefore, they pay PST unless a specific exemption applies.

Treaty First Nations governments may apply for a refund of taxes paid under certain circumstances. For more information, see the agreements listed in the above table.

Nisga'a Lands and Nisga'a Citizens

Under the Nisga'a Final Agreement:

- Nisga'a lands do not qualify as First Nations land for the purposes of PST exemptions for other First Nations individuals and bands, and
- Citizens of the Nisga'a Nation (see names of villages above) do not qualify for PST exemptions as First Nations individuals (including sales on Nisga'a lands or on other First Nations lands).

For more information, see the [Nisga'a Final Agreement and Background Information website](#).

Treaty First Nations Lands and Individuals with PST Exemptions

Under respective Final Agreements between the Government of Canada, Province of British Columbia and the following First Nations Governments, the PST exemption for purchases and leases by First Nations individuals (including the citizens of the Treaty First Nations) on the following First Nations lands continues to be in effect as follows:

Treaty First Nation	PST Exemption Expiry Date
Tsawwassen First Nation	May 1, 2017
Maa-nulth First Nations <ul style="list-style-type: none">▪ Huu-ay-aht First Nations▪ Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations▪ Toquaht Nation▪ Uchucklesaht Tribe▪ Yuułu?i?ath (legally Ucluelet First Nation)	May 1, 2019
Tla'amin First Nation (Sliammon)	May 1, 2024

For more treaty information see:

- [Tsawwassen First Nation](#)
- [Maa-nulth First Nations](#)
- [Tla'amin Nation](#)



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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

June 2016

- Added the Tla'amin Nation to the table of Treaty First Nations, effective April 5, 2016.
- Added further clarification on the names and band numbers of the Nisga'a Nation communities whose citizens are no longer eligible for the PST exemptions for First Nations individuals

References: *Provincial Sales Tax Act*, sections 1 “accommodation”, “band”, “electronic device”, “First Nation individual”, “improvement to real property”, “legal services”, “liquor”, “related service”, “telecommunication service”, 80.1, 80.2, 80.5, 86, 98, 111, 155 and 156; Provincial Sales Tax Exemption and Refund Regulation, sections 1 “First Nation land”, “Nisga'a Nation”, “obtain”, “qualifying agricultural use”, “qualifying farmer”, “reserve”, “surrendered lands”, 72.1, 77, 78, 81 and 88.1; Provincial Sales Tax Regulation, sections 88 and 92.