

## Retail Sales Tax and Status Indians

*The current Retail Sales Tax (RST) exemptions, as described below for Status Indians, Indian bands and band councils, remain in effect until June 30, 2010. After this date the Harmonized Sales Tax rules will apply.*

### Status Indian Exemptions

For RST purposes, Status Indians, Indian bands or band councils may purchase goods and services without paying RST, as long as the goods or services are consumed on reserve.

### Who are Status Indians

Status Indians hold "Certificate of Indian Status" identity cards issued by the federal government. These cards are numbered and contain a photograph, name and the Indian band or registry number of the card holder. See *RST Tax Tip - Certificate of Indian Status Identity Cards*, dated April 2008 for further details.

### Claiming the Exemption

To claim an exemption for taxable goods or services, Status Indians must show vendors their federal "Certificate of Indian Status" identity card. Indian bands and band councils must provide the vendor with a valid Purchase Exemption Certificate (PEC). See *RST Guide 204 - Purchase Exemption Certificates* for further details.

### Off Reserve Purchases

Generally, goods and services purchased off reserve are taxable when they will be used or consumed off reserve. Services, such as commercial parking, transient accommodation, and telecommunication services, must be provided on reserve in order to be exempt from RST.

Vendors are required to charge RST on services rendered off reserve such as commercial parking, transient accommodation, telecommunication services and prices for admission over \$4.00.

RST applies to purchases of take-out meals and prepared food products, costing more than \$4.00, when these products are purchased and taken by a Status Indian, Indian band or band council for consumption on or off reserve, or are delivered to an address off reserve.

Status Indians, Indian bands and band councils are required to pay RST on alcoholic beverages purchased off reserve, regardless of whether the beverages are consumed on or off reserve.

### Motor Vehicles

Vehicles purchased on reserve are exempt from RST. Vehicles purchased off reserve are exempt from RST provided they are registered to a reserve address or the vendor arranges to have the vehicles delivered to a reserve.

### RST Paid in Error

When RST has been paid in error on purchases that are exempt, the purchaser may claim a refund from the Ministry of Revenue by submitting a refund application within four years of the date the tax was paid. See *RST Guide 700 - Refunds, Rebates and Adjustments* for further details.

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### Vendor Requirements

Vendors are authorized to accept only the federal "Certificate of Indian Status" card to support the RST exemption for purchases made by individual Status Indians. When an exemption is claimed by a Status Indian for taxable goods and services, vendors should document in their records the "Certificate of Indian Status" card number, name, and Indian band or registry number.

Indian bands and councils of the band must provide a valid PEC. A federal "Certificate of Indian Status" card cannot be used when buying on behalf of the Indian band or band council. Vendors are required to charge RST on all taxable sales unless an exemption is available to the purchaser and proper documentation is provided.

When goods are delivered to a reserve, the delivery slip or bill of lading should contain enough information (place of delivery) to validate the RST exemption.

All documents supporting an exempt sale must be kept by the vendor. For more information on the application of RST see *RST Guide 808 - Status Indians, Indian Bands and Band Councils*.

### For More Information

If you need more information on this topic please contact us.



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

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

**A separate bulletin will be released explaining the application of the Harmonized Sales Tax (HST). For general information on the introduction of the HST in Ontario and wind-down of the RST, visit [ontario.ca/taxchange](http://ontario.ca/taxchange) or call the Ontario Budget hotline at 1 800 337-7222.**

