

OUR LAND IS OUR FUTURE

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March 10, 2010: Statement from UBCIC on HST: Message of Support for Ontario First Nations' Opposition

The Union of BC Indian Chiefs (UBCIC) is greatly honoured to extend support to the First Nations of Ontario, who have been dedicated to this issue since March 2009, and in November, 2009, rejected the introduction of HST in the Ontario legislature. UBCIC recognizes, respects, and acknowledges the formidable commitment by First Nations of Ontario to fight the implementation of the HST, and strongly agrees that the First Nations point of sale exemption must continue in Ontario after July 1, 2010.

The HST is also being implemented in British Columbia. By Resolution, UBCIC strongly opposes implementation of the HST because it stands to increase the poverty of our people and of all poor British Columbians, and because there was no consultation with BC First Nations on implementation of the new tax regime. In a press release from November, 2009, and many subsequent letters, the UBCIC Executive called upon the provincial Department of Finance Minister Colin Hansen, and the federal Department of Finance Minister James Flaherty, to address the impacts of the proposed Harmonized Sales Tax (HST) on BC First Nations; neither level of government has agreed to meet with UBCIC for discussion.

The HST will benefit many businesses by creating access to input tax credits to offset the full amount of HST spent by the business in conducting its activities; however, the burden of the HST will be felt by consumers. Consumption taxes such as the HST are regressive as they disproportionately affect lower income households, and proposed HST rebates for low income individuals and families will not offset the increased taxes. BC First Nations communities already experience high amounts of poverty and will therefore be detrimentally impacted by the proposed HST, further increasing economic marginalization and hardship.

Both levels of government have an undeniable legal duty and obligation to consult with First Nations on any action that may infringe upon an Aboriginal or Treaty right. "Indians and Indian Bands" as defined in the *Indian Act* are exempt from tax on personal property and real property situated on reserve under sec.87. As a result, in general, goods and services purchased by First Nations on a reserve are not subject to GST or PST, and will likely not be subject to HST. However, aside from some larger reserves, most of the on-reserve population must make extensive purchases off reserve, thus primarily paying the same tax as non-First

Nations. Additionally, a significant portion of BC First Nations live off reserve, again, paying the same tax as non-First Nations.

The UBCIC Executive called for meaningful consultation and accommodation, including meetings with both levels of government, time-specific commitments to develop appropriate information packages regarding application of HST to First Nations, and inclusion of specific non-derogation language regarding preservation of Section 87 of the *Indian Act* tax exemption and continuing rights of First Nations taxation rights under the *FN Goods and Services Tax Act* and the First Nations Sales Tax.

Once again, UBCIC would like to take this opportunity to recognize, commend and applaud the important and hard work being done by the First Nations of Ontario to stop the HST, and offer full support.

CC: Bill Vander Zalm