

OUR LAND IS OUR FUTURE

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PRESS RELEASE

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Union of BC Indian Chiefs Opposes Unilateral Implementation of Harmonized Sales Tax

The Union of BC Indian Chiefs (UBCIC) urgently calls upon BC Finance Minister Colin Hansen and federal Finance Minister James Flaherty to immediately address the impacts of the proposed Harmonized Sales Tax (HST) on First Nations families and communities.

The UBCIC opposes implementation of the HST as it will increase the financial burden of First Nations families who are living in poverty or working poor. Both levels of government failed to consult with First Nations on the implementation of HST, and both levels of government have refused to meet with UBCIC to discuss the impacts of this tax.

Chief Keith Matthew, Simpcw First Nation and member of the UBCIC HST Committee stated "They are brushing us off. First Nations strongly believe there is a need to have discussions based on prior and informed consent when the actions of government infringe on our Aboriginal and Treaty Rights. Taxation is one of those rights under Section 87 of the Indian Act. Any action that impacts these rights has to be discussed with our elected representatives prior to enacting this legislation. The honour of the Crown is at stake."

The BC Government announced its intention to harmonize the current 7% PST with the 5% federal GST effective July 1, 2010. BC's HST will apply at the rate of 12%, and will be, for the most part, applied to the same tax base that the GST is currently applied to, with a slight increase. The HST will benefit businesses by creating access to input tax credits to offset the full amount of HST spent; however, the burden of the HST will be shifted to consumers.

Grand Chief Stewart Phillip observed "First Nations families on and off-reserve already experience high poverty rates and will no doubt be greatly impacted by the proposed HST. This tax will further marginalize and add hardship to First Nations families and communities while increasing the coffers of industry and government. The UBCIC will work with like-minded organizations here in BC, and will reach out to First Nation organizations such as the Union of Ontario Indians and the Assembly of First Nations."

The UBCIC Chiefs Council met on November 18 and 19 and one of the pressing issues discussed was the imposition of the HST. A legal analysis was presented to the Chiefs Council and a resolution was drafted, reviewed and passed. The resolution calls for immediate meetings with both levels of government, time-specific commitments to develop appropriate information packages regarding the application of HST to First Nations and inclusion of specific non-derogation language regarding the preservation of Section 87 of the *Indian Act* tax exemption and continuing rights of First Nations taxation rights under the *First Nations Goods and Services Tax Act* and the First Nations Sales Tax.

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