

By Kevin Restoule

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As a First Nation citizen, you have many rights, some of which are affirmed by the federal and provincial governments through the issuance of a status card. One of them is the right to tax exemption within the province of Ontario, but how exactly does this right work?

The government of Ontario has guaranteed the right to tax exemption to all status First Nations people on certain goods and services, regardless of location of residence. This means that if you have a federal-issued status card, purchases that you make may be entitled to an exemption from the 8 per cent provincial sales tax (PST) portion of the harmonized sales tax (HST).

There are two possible ways to obtain this exemption. The first is what is called the point of sale exemption, which requires the purchaser/status card holder to present their original status card at the time of purchase for the retailer to visually confirm the card, document the registration number and process the transaction without including the 8 per cent portion of the HST. It is important for status card holders to know that no other identification or information is required except their government issued status card. In addition, the government does not require retailers to submit copies of status cards, so photocopying the card is not necessary. The collection of this unnecessary data violates privacy rights, even if it is store policy.

The second method is to complete and submit an application by registered mail with original receipts to the Ministry of Finance for a refund on the tax paid. Due to the refund being given through the mail, the Ministry of Finance does require that a photocopy of the status card (both

sides) accompany the application for their visual confirmation.

As seen with the recent Morris Home Hardware incident in Ottawa, some retailers choose not to honour the PST exemption and, unfortunately, due to the wording in the legislation, it's not legally enforceable by the Ministry of Revenue. In most cases, problems at the register can be blamed on training issues where a cashier is simply unaware that First Nations are entitled to the tax exemption or does not know the procedure to provide the exemption. In the interest of customer service, it makes sense for a retailer to honour the exemption and encourage the return business of their First Nation customers. The Morris Home Hardware store owner has since issued an apology and is now honouring the tax exemption for First Nations.

Retailers are not allowed make any price adjustments concerning status First Nations customers in order to compensate for the exemption as this constitutes a human rights violation on the grounds of discrimination and is against the law, even if it is store policy.

The Ontario Ministry of Finance has implemented a hotline service at 1-866-ONT-TAXS (1-866-668-8297) that will accept calls from citizens to report retailers that:

- refuse to provide the tax exemption for First Nation customers upon presentation of a valid status card;
- insist on the collection of unnecessary personal information (such as taking a photocopy of a status card, address, phone number, email, signature etc.) as a requirement before providing the exemption;
- raise the price on purchased items that qualify for exemption;
- insist that you pay the full tax at the time of purchase and submit your receipt to the Ministry of Finance for refund;
- are unsure about how to process tax exempt transactions; or
- are confused or are under the wrong understanding about the rules for First Nations tax exemption.

Calling the Ministry of Finance hotline to file a report regarding a retailer will help to:

- educate the retail community at large about tax exemption for First Nations;
- allow for policy and perspective changes of retailers and facilitate easier tax exemption processing in the future; and
- protect and exercise your First Nation right to tax exemption.

The Ministry of Revenue continues to work with the Anishinabek Nation to ensure that their hotline operators are trained to handle these calls effectively. Any issues experienced with the hotline may be reported to Kevin Restoule at the Union of Ontario Indians toll free at 1-800-702-5200.

Off-reserve customers of telecommunications such as cable, satellite, telephone, cell phone and internet may establish a monthly exemption through their service provider, or mail in monthly billing statements to the Ministry of Revenue for a refund on the PST portion paid.

Take-out and delivery food off-reserve over \$4 is also PST exempt, however, fast food establishments in Ontario may not be equipped to provide the exemption, so retain your receipts for mail-in refund.

As a consumer, it is your right to decide which retailers you wish to do business with. If you do not agree with store policy, you have the right to go elsewhere. For more information on goods and services that qualify for the exemption, refund forms and further tax exemption information in Ontario, visit <http://www.anishinabek.ca/notax/>.