

Income Tax

LAF. 21-3/R1 **Applications for reimbursement made by Indians, bands, tribal councils and band-empowered entities**

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Reference(s): *Tax Administration Act* (CQLR, c. A-6.002), section 21
 Fuel Tax Act (CQLR, c. T-1), section 10.2

This version of interpretation bulletin LAF. 21-3 (formerly LMR. 21-3) supersedes the version of September 30, 2002. The bulletin was revised to update its content and to take into account changes made to the fuel tax system.

Specifically, changes were made to extend to tribal councils and band-empowered entities the right to reimbursement that was previously granted only to Indians and bands. Also, an Indian tax exemption management program was implemented.

With regard to the extension of the right to reimbursement to tribal councils and band-empowered entities, this bulletin applies in respect of fuel purchases made after March 23, 2006. With regard to the implementation of an Indian tax exemption management program, this bulletin applies in respect of fuel purchases made after June 30, 2011.

Indians, bands and, where applicable, tribal councils and band-empowered entities may apply for reimbursement of consumption taxes, other than the Québec sales tax (QST). This bulletin specifies the time period during which such applications can be made.

CONTEXT

General points

1. Under certain conditions, Indians and bands that purchase property on a reserve in Québec are entitled to a tax exemption. On occasion, however, a consumption tax (other than the QST) may be paid by mistake. In that case, the Indian or band is entitled to reimbursement.
2. For example, an Indian or a band that pays tobacco tax by mistake when purchasing a tobacco product can obtain reimbursement.

Specific provisions under the fuel tax system

3. Since July 1, 2011, Indians, bands, tribal councils and band-empowered entities that are registered for the Program for Administering the Fuel Tax Exemption for Indians can purchase fuel for their own consumption from a retail fuel outlet located on a reserve in Québec without having to pay fuel tax at the time of purchase.

4. However, under section 10.2 of the *Fuel Tax Act*, an Indian, a band, a tribal council or a band-empowered entity that has paid the fuel tax in such circumstances may apply for reimbursement of the fuel tax paid.

APPLICATION OF THE ACT

5. As indicated above, Indians, bands and, where applicable, tribal councils and band-empowered entities may apply for reimbursement of consumption taxes, other than QST. In accordance with section 21 of the *Tax Administration Act*,¹ such applications must be filed within four years from the date of payment of the amount.

¹ This Act was formerly entitled *An Act respecting the Ministère du Revenu*. The title was changed by section 91 of chapter 31 of the Statutes of Québec 2010.