

Consumer Taxes

TVQ. 16-17/R3 Rules applicable to the bands of Hunter's Point, Kitcisakik and Pakuashipi and to the members of those bands

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Reference(s): *Act respecting the Québec sales tax* (CQLR, c. T-0.1), section 16
Tax Administration Act (CQLR, c. A-6.002), section 96
Regulation respecting fiscal administration (CQLR, c. A-6.002, r. 1), sections 96R14.1 to 96R14.3

This version of interpretation bulletin TVQ. 16-17 replaces the version of April 28, 2000. The bulletin was revised to update its content and to sharpen the focus of its subject. However, the position set out in the bulletin and the effective date of the bulletin, July 1, 1992, remain the same.

This bulletin sets out the rules under the Québec sales tax (QST) system that apply to the bands of Hunter's Point, Kitcisakik and Pakuashipi and to the members of those bands.

CONTEXT

1. The tax treatment of Indians is the same under both the QST system and the goods and services tax (GST) system due to the harmonization of those systems.
2. The administrative policy regarding the tax treatment of Indians under the GST system is set out in the Canada Revenue Agency's GST/HST technical information bulletin B-039, *GST/HST Administrative Policy – Application of the GST/HST to Indians*.

APPLICABLE RULES

3. The settlements of Hunter's Point, Kitcisakik and Pakuashipi do not constitute reserves within the meaning of the *Indian Act* (R.S.C. 1985, c. I-5). However, the bands of those settlements and the members of those bands do constitute bands and Indians, respectively, under that Act.
4. Furthermore, as provided under sections 96R14.1 to 96R14.3 of the *Regulation respecting fiscal administration*, the same benefits are granted to such bands and Indians under the QST system as are granted to the other bands and Indians of the reserves and Indian settlements situated in Québec, as though the settlements of Hunter's Point, Kitcisakik and Pakuashipi were reserves.

5. Thus, provided all the conditions set out in technical information bulletin B-039 are met, those bands and those Indians are entitled to a QST exemption and, in certain circumstances, a GST exemption.

6. For example, no tax is payable by any such band on the purchase of a service intended for band management activities, since such a purchase is exempt from GST and QST even if it is made outside a reserve.