

Information Notice

NOTICE RST 16-03
Retail Sales Tax Act
August 2016

SALES BY BUSINESSES LOCATED ON A RESERVE

This Notice explains the application of sales tax for businesses located on a reserve, including the documentation requirements for exempt sales to a Status Indian or Indian Band and the requirement to collect sales tax on taxable sales.

REGISTRATION REQUIREMENTS

Any person carrying on business in Manitoba must be registered under *The Retail Sales Tax Act* before making any taxable sales. You can register online at manitoba.ca/TAXcess, or applications for registration are available at the Taxation Division offices and web site listed below.

TAX EXEMPT SALES AND DOCUMENTATION REQUIREMENTS

Goods sold to a Status Indian or Indian Band are exempt from sales tax when the purchaser takes possession of the goods at time of sale on a reserve, or the seller delivers the goods directly or by common carrier to a reserve.

Note: This tax exemption is not affected by the April 2016 Supreme Court decision regarding Metis and non-status Indians. These individuals are not eligible for the tax exemption for Status Indians provided by Section 87 of *The Indian Act (Canada)*.

The following documentation must be provided by the purchaser and maintained by the seller to support all tax exempt sales:

- Status Indian's name, or Band name when the purchaser is an Indian Band,
- Status Indian's *Certificate of Indian Status* Registry No. or *Temporary Confirmation of Registration Document* registration number, or Band number when the purchaser is an Indian Band,
- Status Indian's signature, or authorized Band representative's signature when the purchaser is an Indian Band,
- Status Indian's or Band's reserve address for leased goods or cell phone services.

TAXABLE SALES – sales tax must be collected on the following:

- Sales to purchasers who are not a Status Indian or Indian Band,
- Sales to corporations (including corporations owned by a Status Indian or Indian Band),
- Goods sold to a Status Indian or Indian Band that are delivered by the seller to a location off reserve,
- Leased goods or cell phone services provided to a Status Indian who resides off reserve.

For further information, please contact:

Winnipeg Office

Manitoba Finance
Taxation Division
101 - 401 York Avenue
Winnipeg, Manitoba R3C 0P8
Telephone (204) 945-5603
Manitoba Toll-Free 1-800-782-0318
Fax (204) 948-2087

Westman Regional Office

Manitoba Finance
Taxation Division
314, 340 - 9th Street
Brandon, Manitoba R7A 6C2
Fax (204) 726-6763

E-mail: MBTax@gov.mb.ca

Web Site: www.gov.mb.ca/finance/taxation