

## Provincial Sales Tax Exemption for Sales of Liquor to Status Indians on Reserve Land

### *Social Service Tax Act*

Effective May 15, 2006, the provincial sales tax (PST) exemption for sales of taxable goods to status Indians on reserve land is extended to sales of liquor at the point-of-sale from licensed establishments that are:

- located on land that qualifies as reserve land under the *Indian Act* (Canada), or
- on designated reserve land, and that have written authorization from the Ministry of Small Business and Revenue to make exempt sales to status Indians.

This change is the result of a review of issues raised by licensed establishments on reserve land regarding the application of the 10% provincial liquor sales tax on sales to status Indians. The review concluded that the current administrative policy of providing tax refunds to status Indians does not fully comply with the general federal tax exemption available under section 87 of the *Indian Act* (Canada).

The procedures for making exempt sales to status Indians are outlined in [Bulletin SST 034](#), *Procedures for Making Exempt Sales or Leases to Indians and Indian Bands*. Sales of liquor now fall under these procedures, and following them will help vendors avoid a liability for tax not collected.

Vendors must remit any tax collected up to May 15, 2006 on sales of liquor to status Indians on their next scheduled return.

Status Indians may, upon presentation of evidence that tax was paid on reserve land, apply for a refund of any tax paid on purchases of liquor prior to May 15, 2006. Refund applications must be received within six years of the date the tax was paid.

### Further Information

Please refer to [Bulletin SST 046](#), *Exemption for Indians and Indian Bands*.

If you still have questions, you can e-mail us at [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca), or call us at 604 660-4524 in Vancouver or toll-free at 1 877 388 4440. For general information on how PST applies to your business, please visit our website at [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb)