



# Information Bulletin

---

**Issued: April, 2003**

---

## **SASKATCHEWAN INDIAN TAX EXEMPTION** **FOR ON-RESERVE FUEL AND TOBACCO PURCHASES**

This bulletin provides an update on the tax exemption provided to Status Indians for their on-reserve fuel and tobacco purchases. It also describes some improvements being made to the processing of fuel and tobacco tax refund claims for on-reserve retailers.

### **REFUNDS FOR ON-RESERVE RETAILERS**

On-reserve retailers have expressed the importance of providing fuel and tobacco tax refunds in a timely manner. Some retailers are still submitting hand-written claims or they are using a point of sale system that needs to be upgraded. It takes longer to process these claims and there is a greater chance for errors and omissions. Refund claims submitted electronically can normally be processed within seven working days, whereas claims submitted in paper form can take up to twenty working days to process.

The Department of Finance has been consulting with First Nations and suppliers of cash register systems on ways to improve the delivery of the tax exemption and refunds. As a result of these discussions, Finance is developing a new system to assist on-reserve retailers in claiming a refund of tax on their exempt sales. Also, Finance is working with cash register suppliers in trying to develop lower cost electronic solutions, particularly for small retailers.

Under the new system, Finance can accept transactions that are submitted electronically from any approved cash register system. A list of the approved equipment suppliers and specifications can be obtained from Finance at the address shown below.

### **ELIGIBLE TAX-FREE PURCHASERS**

The Province, First Nations and retailers all recognize the need to ensure that tax-free sales are made only to eligible Status Indian purchasers. A database of valid Status Indian Federal Identification numbers is being developed to assist retailers in determining whether a person is eligible to receive a tax exemption. Finance still requires band member lists from some First Nations, so if you have not submitted your band list please do so as soon as possible.

Status Indians and bands may only purchase tobacco and fuel tax free for their own use or authorized purposes and not for resale or distribution.

Incorporated entities are not eligible for the tax exemption.

## **LARGE TAX-FREE SALES**

Finance requires an explanation for all large tax-free sales of fuel and tobacco products. To assist retailers in reporting and monitoring these sales, the following rules have been developed in consultation with First Nations. These rules apply starting June 1, 2003:

- 1) All tobacco sales of more than 600 cigarettes, 600 grams of tobacco, 600 cigars or a combination of 600 cigarettes, cigars and grams of tobacco per person per week must be reported on a unique pre-numbered Tax Exemption Voucher. An example voucher is attached for your information. A supply of these vouchers will be sent to on-reserve retailers in the near future.
- 2) If more than 1,000 cigarettes, 1,000 grams of tobacco, 1,000 cigars or any combination of 1,000 of these units are sold to a person in a week, Finance must either be notified in advance of the sale or an explanation must be provided on band letterhead. The details to be reported include the following:
  - Intended date(s) of purchase and use
  - Name of individual authorized to pick up the product at the store
  - Explanation of how the product(s) will be used
  - Quantity and units of the product(s)
  - Name and title of the individual making the request
  - Date of the most recent prior request
- 3) All tax-free fuel sales of more than 200 litres per transaction must be reported on a Tax Exemption Voucher.

Refunds may be adjusted for large tax-free sales that are claimed without submitting the necessary supporting documentation.

## **FOR FURTHER INFORMATION**

Write: Saskatchewan Finance  
Revenue Division  
2350 Albert Street  
Regina, Saskatchewan  
S4P 4A6

Telephone: Toll Free 1-800-667-6102 (ext.1964)  
Regina 306-787-1964

E-mail: [sask.tax.info@finance.gov.sk.ca](mailto:sask.tax.info@finance.gov.sk.ca)

Fax: 306-787-0241

Information bulletins and publications are available on the Internet at:  
[www.gov.sk.ca/finance](http://www.gov.sk.ca/finance)



INDIAN TAX EXEMPTION VOUCHER

DATE: \_\_\_\_\_ (mm | dd | yyyy)

PURCHASER INFORMATION:

Status Card No. (10 Digits): \_\_\_\_\_

Name (Please Print): \_\_\_\_\_

Phone: \_\_\_\_\_

SALES INFORMATION:

Exempt Purchase Reason Code: \_\_\_\_\_

Detailed Explanation: \_\_\_\_\_

(A list of valid reason codes is provided.)

Product	Qty	Packaging (Units)	Dollar Amount
Cigarettes			
Fine Cut Tobacco			
Cigars			
Gasoline			
Diesel Fuel			
Propane			
Other: _____			

I certify that I have received the indicated products exempt from the provincial tax, and that:

I am purchasing these products for my own personal use or consumption, for the reason shown above.

I am purchasing these products on behalf of the band for an authorized purpose, as specified above.

Band Purchase Order No. (Required): \_\_\_\_\_

Purchaser's Signature: \_\_\_\_\_

STORE INFORMATION:

Store Number: \_\_\_\_\_

Store Name: \_\_\_\_\_

Name of Cashier: \_\_\_\_\_

(Retailer Copy - Retain for Own Records)



INDIAN TAX EXEMPTION VOUCHER

DATE: \_\_\_\_\_ (mm | dd | yyyy)

PURCHASER INFORMATION:

Status Card No. (10 Digits): \_\_\_\_\_

Name (Please Print): \_\_\_\_\_

Phone: \_\_\_\_\_

SALES INFORMATION:

Exempt Purchase Reason Code: \_\_\_\_\_

Detailed Explanation: \_\_\_\_\_

(A list of valid reason codes is provided.)

Product	Qty	Packaging (Units)	Dollar Amount
Cigarettes			
Fine Cut Tobacco			
Cigars			
Gasoline			
Diesel Fuel			
Propane			
Other: _____			

I certify that I have received the indicated products exempt from the provincial tax, and that:

I am purchasing these products for my own personal use or consumption, for the reason shown above.

I am purchasing these products on behalf of the band for an authorized purpose, as specified above.

Band Purchase Order No. (Required): \_\_\_\_\_

Purchaser's Signature: \_\_\_\_\_

STORE INFORMATION:

Store Number: \_\_\_\_\_

Store Name: \_\_\_\_\_

Name of Cashier: \_\_\_\_\_

(Duplicate Copy - Forward to Saskatchewan Finance)

**OVERLIMIT REASON CODES****Tobacco:**600 to 1000 Units:

- 10 Wake or Funeral
- 12 Pow Wow
- 13 Round Dance
- 14 Remote Location
- 15 Other Ceremonial Use  
(Please Describe)

Over 1000 Units:

- 98 Authorized by Band  
(Additional Documentation Required)
- 99 Authorized by Saskatchewan Finance

**Fuel:**Over 200 Units:

- 20 School Bus
- 21 On Reserve for Road Maintenance
- 22 On Reserve for Logging Activities
- 23 On Reserve for Farming Activities
- 24 On Reserve - Other Business Use  
(Please Describe)

**Large Tax-Free Sales**

Finance requires an explanation for all large tax-free sales of fuel and tobacco products. Starting June 1, 2003 the following rules apply:

**Tobacco:**

1. Combined tobacco sales of more than 600 units (cigarettes, grams of fine cut or loose tobacco, cigars, or any combination thereof) per person per week must be reported on a tax exemption voucher.
2. If combined tobacco sales exceed 1000 units per person per week, in addition to the tax exemption voucher, a purchase order on band letterhead must be provided along with an explanation, or Finance must be notified in advance of the sale.

**Fuel:**

1. All tax-free sales of more than 200 litres per transaction must be reported on a Tax Exemption Voucher.

**OVERLIMIT REASON CODES****Tobacco:**600 to 1000 Units:

- 10 Wake or Funeral
- 12 Pow Wow
- 13 Round Dance
- 14 Remote Location
- 15 Other Ceremonial Use  
(Please Describe)

Over 1000 Units:

- 98 Authorized by Band  
(Additional Documentation Required)
- 99 Authorized by Saskatchewan Finance

**Fuel:**Over 200 Units:

- 20 School Bus
- 21 On Reserve for Road Maintenance
- 22 On Reserve for Logging Activities
- 23 On Reserve for Farming Activities
- 24 On Reserve - Other Business Use  
(Please Describe)

**Large Tax-Free Sales**

Finance requires an explanation for all large tax-free sales of fuel and tobacco products. Starting June 1, 2003 the following rules apply:

**Tobacco:**

1. Combined tobacco sales of more than 600 units (cigarettes, grams of fine cut or loose tobacco, cigars, or any combination thereof) per person per week must be reported on a tax exemption voucher.
2. If combined tobacco sales exceed 1000 units per person per week, in addition to the tax exemption voucher, a purchase order on band letterhead must be provided along with an explanation, or Finance must be notified in advance of the sale.

**Fuel:**

1. All tax-free sales of more than 200 litres per transaction must be reported on a Tax Exemption Voucher.