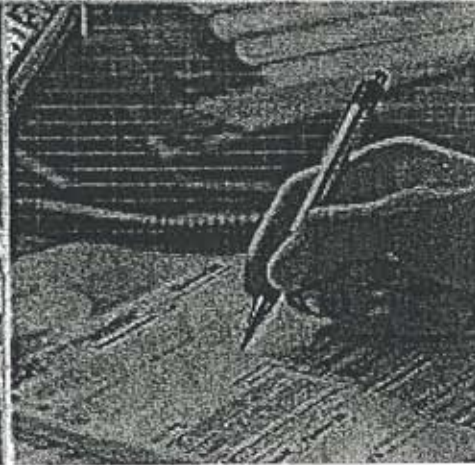


# General Information Concerning the QST and the GST/HST





## Sales to the Québec government

Québec government corporations and agencies mentioned in the reciprocal tax agreement reached with the federal government are not required to pay GST on the property and services they acquire, and are exempt from the QST. However, the Québec government, as well as its corporations, agencies and agents, are all required, without exception, to collect GST and QST on their taxable sales (excluding zero-rated sales) and to remit the taxes to the Ministère du Revenu.

For a list of Québec government departments and agencies that are not required to pay QST, see interpretation bulletin TVQ. 678-1/R2, *The Government of Québec and Québec's Consumption Taxes*.

Purchasing officers for the Québec government, and for the government's departments, agencies and agents, must provide confirmation of QST-exempt status at the time a purchase is made. This confirmation may take the form of an exemption certificate, which is a signed declaration certifying that the property and services are not subject to QST because they are being acquired by the Québec government, its departments, agencies or agents. Such a declaration can be an integral part of the acquisition contract or order form, or a separate document remitted to the supplier. The declaration below is an example of the type of text that may be used to certify that the Québec government, its departments agencies and agents are exempt from the QST and the GST:

### Declaration of exemption from the QST and the GST

This certifies that the property or services in question are being ordered or purchased with public funds by a Québec government department or agency for the use of that department or agency, and are therefore not subject to the QST or the GST.

Signature of authorized person

Registrants that make sales to the Québec government in the course of their commercial activities may claim ITCs and ITRs to recover the tax paid on purchases made in respect of such sales.

## Sales to Indians

In most cases, you must collect GST and QST on sales made to Indians, Indian bands and band-empowered entities, and on sales made on a reserve to persons who are not Indians. However, the taxes are not charged where

- property is purchased on a reserve or delivered to a reserve by the vendor or the vendor's agent (and, in the case of a band-empowered entity that is an artificial person, the property is intended for band management activities);
- services are provided entirely on a reserve, to an Indian, in respect of property located on the reserve at that time;
- services are provided entirely on a reserve to an Indian who is on the reserve at that time;
- transportation services, for transportation between locations on a reserve, are provided to an Indian;
- services are acquired on or off a reserve by an Indian band or band-empowered entity for band management activities or for use with respect to an immovable situated on the reserve.

Transportation services, short-term accommodation, and meals and entertainment are subject to GST and QST if they are acquired outside a reserve. However, a refund of the taxes may be claimed if the property or services were acquired for band management activities or for use with respect to immovables located on the reserve.

The exemption from the taxes cannot be granted unless the proper documents are submitted.

Where the purchaser is an individual, the vendor must keep adequate evidence that the sale was made to an Indian registered under the *Indian Act*. The vendor may simply indicate, on the invoice, the individual's registry number (usually nine or ten digits, indicated on the Certificate of Indian Status issued by the Department of Indian and Northern Affairs Canada) or the individual's band name and family number (commonly known as the "band number" or "treaty number").

Where property is purchased on a reserve by an Indian band or band-empowered entity, the purchaser must provide the vendor with a document certifying that the property is being acquired by an Indian band or band-empowered entity.

Where property is acquired outside a reserve by an Indian, an Indian band or a band-empowered entity, the vendor must also retain (in addition to the registry number or the certifying document) adequate proof that the property was delivered to the reserve.

In the case of services, the document must certify that the services are being acquired by an Indian band or band-empowered entity for band management activities or in respect of immovables situated on the reserve.

You may claim ITCs and ITRs in respect of the purchases you make in the course of your commercial activities in order to sell, to Indians, Indian bands or band-empowered entities, taxable property or services on which you are not required to collect GST or QST. We suggest that you keep separate entries in your books for sales made to Indians and sales on which you collected GST and QST.

Some vendors whose place of business is not located on a reserve do business primarily with Indians, Indian bands or band-empowered entities. In some cases, these vendors are in a remote location and their regular trading zone includes a reserve which is not in the immediate vicinity. In such cases, the requirement for the vendor to deliver the property to the reserve may be difficult to meet, either because of prohibitive costs or lack of public transportation. Consequently, this requirement may be waived if certain conditions are met.

For further information, refer to the technical information bulletin B-039R, *GST Administrative Policy - Application of GST to Indians*, and interpretation bulletin TVQ-16-17/R2, *Rules Relating to Indians*.

### Transitional measures for the Mohawks of Kahnawake

A number of transitional measures have applied since December 15, 1999, providing for a QST exemption on sales of property to the Mohawks of Kahnawake. The exemption does not cover meals, fuel or alcoholic beverages. These measures must be applied by persons that carry on commercial activities in municipalities located in the regional county municipality of Roussillon, or in the new cities of Montréal and Longueuil (with the exception of the former municipalities of Boucherville and Saint-Bruno-de-Montarville as they existed on December 31, 2001). A Mohawk of Kahnawake who wishes to obtain the exemption must show two pieces of identification, one of which must be the Certificate of Indian Status. The other piece of identification may be the individual's Québec driver's licence, Québec health insurance card or Québec birth certificate. On the invoice, the merchant must indicate the purchaser's name and the number shown on the Certificate of Indian Status.





**Subject: Interim measures for exemption from QST on the sale of  
consumer goods to Mohawks of Kahnawake**

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Dear Sir or Madam:

This is to advise you that the agreement signed on March 30 by the Mohawk Council of Kahnawake and the government of Québec will be implemented on an interim basis as of December 15, 1999.

This means that, subject to the conditions set out in this letter, Mohawks who normally reside in Kahnawake will be able to acquire consumer goods for their personal use or consumption from retailers situated outside the Mohawk Territory of Kahnawake, in the municipalities listed on the following page, without paying QST on the transaction.

The measures outlined in this letter do not affect your obligation to collect GST, as the existing rules continue to apply in this regard. Similarly, the measures do not affect the current rule whereby goods that are delivered to an Indian reserve, including Kahnawake, are exempt at the point of sale from both QST and GST. In the case of deliveries, retailers must continue to document that the sale was made to an Indian and that the goods were delivered to a reserve.

**Goods covered by the exemption**

Most consumer goods that you supply by way of sale, exchange, lease or gift are covered by the exemption. However, the exemption does not presently apply to services provided entirely outside the Mohawk Territory of Kahnawake, or to the following consumer goods:

- meals from a restaurant or similar establishment (unless delivered to Kahnawake),
- fuel,
- alcoholic beverages.



**Objet : Mesures d'exemption de la TVQ lors de la vente  
d'un bien à un Mohawk de Kahnawake**

Madame,  
Monsieur,

À compter du 15 décembre 1999, l'entente sur les services et les biens de consommation signée le 30 mars 1999 entre le gouvernement du Québec et le Conseil mohawk de Kahnawake sera mise en application sur la base de mesures transitoires.

Selon les conditions énumérées ci-après, un Mohawk résidant habituellement à Kahnawake pourra se procurer des biens pour sa consommation ou son utilisation personnelle sans payer la TVQ lors des transactions effectuées dans certaines municipalités visées (voyez la liste à la page suivante).

Ces mesures transitoires n'ont aucun effet sur l'obligation de percevoir la TPS sur les biens et les services que vous vendez. Également, elles n'ont aucun effet sur la règle habituelle dans les cas de livraisons dans une réserve indienne, y compris Kahnawake. Ainsi, vous n'avez pas à percevoir la TPS ni la TVQ si vous vendez un bien à un Autochtone et que vous le livrez dans la réserve. Toutefois, vous devez continuer de conserver une preuve de livraison indiquant que les biens y ont été livrés et que la vente a été faite à un Autochtone.

**Exceptions relatives à l'exemption de la TVQ**

La plupart des biens que vous vendez<sup>1</sup> sont visés par cette mesure. Toutefois, l'exemption ne s'applique pas aux services rendus entièrement à l'extérieur du territoire de Kahnawake ni aux biens suivants :

- les repas dans un restaurant ou un commerce semblable (sauf s'ils sont livrés à Kahnawake) ;
- le carburant ;
- les boissons alcooliques.

1. Dans cette lettre, le terme *vente* remplace la notion de *fourniture*. Cette règle s'applique donc à tous les types de fournitures, par exemple, l'échange, la location et la donation.

### Règles d'identification à respecter

Pour obtenir l'exemption de la TVQ, un Mohawk de Kahnawake doit vous présenter deux cartes d'identité :

- 1) son certificat de statut indien délivré par Affaires indiennes et du Nord Canada (voyez l'exemple ci-dessous). Le certificat doit identifier la personne comme inscrite à Kahnawake. Les quatre premiers chiffres du numéro de registre (communément appelé *numéro de bande*) sont 0700. Toutefois, dans le cas des anciens certificats dont la mention du groupe d'enregistrement est « *Caughnawaga* », le numéro du registre ne débutera pas par 0700 et sera composé de trois ou quatre chiffres seulement.

ET

- 2) une des pièces d'identité suivantes :
  - son permis de conduire du Québec ;
  - sa carte d'assurance-maladie du Québec ;
  - son certificat de naissance du Québec.

Aux fins de vérification, vous devez inscrire le nom de l'acheteur ainsi que le numéro du certificat de statut indien sur chaque facture ou sur tout autre document attestant la vente.

### Municipalités visées

Si vous exercez des activités commerciales dans une des municipalités suivantes, vous devez appliquer les mesures transitoires sur l'exemption de la TVQ.

Roussillon (MRC)	Champlain (MRC)	Île de Montréal	
Candiac	Brossard	Anjou	Montréal-Ouest
Châteauguay	Groenfield Park	Baie-d'Urfé	Montréal-Nord
Delson	LeMoine	Beaconsfield	Outremont
La Prairie	Longueuil	Côte-Saint-Luc	Picrefonds
Léry	Saint-Hubert	Dollard-des-Ormeaux	Pointe-Claire
Mercier	Saint-Lambert	Dorval	Roxboro
Saint-Constant		Hampstead	Senneville
Saint-Isidore		Kirkland	Sainte-Anne-de-Bellevue
Saint-Mathieu		L'Île-Bizard	Sainte-Geneviève
Saint-Philippe		L'Île-Dorval	Saint-Laurent
Sainte-Catherine		Lachine	Saint-Léonard
		LaSalle	Saint-Pierre
		Mont-Royal	Verdun
		Montréal	Westmount
		Montréal-Est	

Les ventes de biens et de services à des Mohawks à l'intérieur du territoire de Kahnawake continuent d'être exemptes de la TVQ et de la TPS.

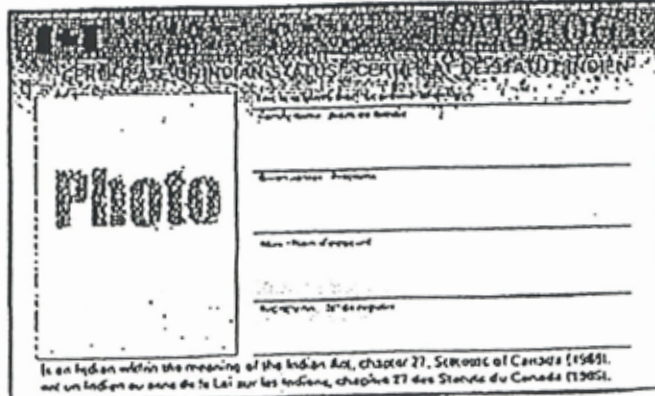
### Mesures transitoires

Les mesures transitoires décrites dans cette lettre demeureront en vigueur jusqu'à la mise en place complète des modalités de l'entente permanente entre le gouvernement du Québec et le Conseil mohawk de Kahnawake.

### Exemple de certificat

#### Des questions ?

Si vous avez des questions, n'hésitez pas à communiquer avec le Ministère par téléphone au (450) 928-8219 ou, sans frais, au 1 888 273-6050 du lundi au vendredi, de 8 h 30 à 16 h 30.



INDIAN STATUS CERTIFICATE / DES STATUT INDIEEN

Photo

INDIVIDUAL'S NAME

ALIAS / NOM D'USAGE

REGISTRATION NUMBER

It is an Indian within the meaning of the Indian Act, chapter 27, Statutes of Canada (1985).  
est un Indien au sens de la Loi sur les Indiens, chapitre 27 des Statuts du Canada (1985).