



Overview of Tax exemptions for Aboriginal business

Presentation to Aboriginal
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- The basis of the exemptions
 - From a high level what is the purpose of the exemptions – to not extract further wealth from First Nation communities
 - Where are they contained in the act – 87(1) of the Income tax act and various court cases
 - Similar exemptions for GST and PST



- What conditions must be present for the exemption from tax:
 - Status Indian (card)
 - Indian Band or designate
 - Income earned on reserve (income taxes)
 - Goods received on reserve
 - MUST be received on reserve (delivery)
 - Cannot be picked up and must have title transfer on reserve



- How does the exemptions interplay with different business vehicles:
 - Corporations (cannot be an “Indian” except for limited circumstances), thus not exempt from taxes
 - Proprietorships (simplest form of business)
 - Partnerships
 - Further considerations with non-aboriginal partners; this is likely the vehicle to use



- Some points to assist from my dealings with the CRA:
 - Document!
 - If corporate structure or business conducted off reserve, planning points
 - Some other considerations other than tax in determining structure

- Questions?