



First Nations Tax Administrators Association

c/o Westbank First Nation 101-515 Highway 97 South, Kelowna BC, V1Z 3J2



MAY 2010

NEWSLETTER

VOL. 3 NO. 2

COMMUNITY PROFILE: WESTBANK FIRST NATION

Westbank First Nation has succeeded in creating an investment climate which encourages investment on their reserve lands. As Ernest Jack says "it is an overnight success story 25 years in the making." One of the key factors to their success has been the implementation of property tax jurisdiction. Property Tax Revenue has been used to build solid governance capacity which in turn increases investment, building the tax base and increasing tax revenue. Development has been exponential in recent years. The 2010 assessed value of Westbank's taxable properties is 1,081,118,260...over one billion dollars! Westbank currently has 3,447 taxable properties. There are 3,368 residential units, 12 utilities, 6 light industry, 66 business and 5 recreation/non-profit properties. The 2010 Tax Budget is 9,879,451.

The Local Government Services Department is composed of Surveyor of Taxes Ernest Jack and Tax Officer Sylvia Baker. The hiring process is nearly complete for a Cashier. The Tax Department also functions as a Central Cashier, receiving tax payments, utility payments, business and dog licenses fees and building permit fees. Local Government Services is closely linked to the Utility and Finance Departments.

Westbank First Nation has been taxing under Section 83 of the *Indian Act* since 1990. When Westbank First Nation enacted Self Government in 2005, it became possible to use their constitution as the legislative basis for property taxation. However, "because of the high influx of non-member residents (approx 9000 people) part of self government negotiations included agreeing to continue to tax under Sec 83 because of the comfort and familiarity our taxpayers had with the *Indian Act* and Ministerial oversight." The Westbank First Nation Advisory Council was created in 2005 with the first law passed under the new Westbank First Nation Constitution. This elected taxpayer advisory council brings the interests of Westbank taxpayers to the Chief and Council.

The *First Nations Fiscal and Statistical Management Act* includes a clause to allow self governing first nations such as Westbank to participate. Westbank is exploring this option by developing the necessary regulations under the constitution to permit implementation of the FSMA. This will only happen if it is decided that it makes sense for Westbank. "The FSMA is certainly a welcome opportunity to acquire low interest and long term infrastructure financing. Its attractive and may be a consideration for Westbank in the future. Westbank First Nation estimates that we still have 200 million in infrastructure to put in place. Because of its recent commercial success, Westbank is in a position to secure competitive financing right now." says Ernest Jack.



We will be watching to see what Westbank First Nation decides to do next a one of the trail blazing First Nations in Canada.

09/10 FNTAA Board of Directors:

President Ernest Jack, Vice President Freda Jules, Treasurer Jim Prodger, Secretary Christina Clarke, Terry Nicholas, Calvin George, Dana Henderson

Email: info@fntaa.ca

FIRST NATIONS TAX ADMINISTRATORS ASSOCIATION

17th Annual National Forum

September 15-17, 2010

Enoch, Alberta



3rd Annual FNTAA Golf Tournament
Indian Lakes Golf Course

Opening Dinner Reception, Keynote Address

Annual National Forum on First Nations Property Taxation
FSMA Implementation, Training Opportunities, Personal Income Tax
Exemption Rights, Lands Management Issues,
Land Tenure On First Nations Land, Economic Development

FNTAA Annual General Meeting

Join us at this 4 Star Luxury Hotel and Casino
Minutes from West Edmonton Mall and the Edmonton Airport

FIRST NATIONS TAX ADMINISTRATORS ASSOCIATION

17th Annual National Forum, September 15-17, 2010

CONFERENCE REGISTRATION FORM

Name: _____

Title: _____

Organization: _____

Mailing Address:

Telephone: _____ Fax: _____

Email: _____

Special Mobility or Dietary Requirements:

Please RSVP for the following events:

Opening Reception Dinner Wed Sept 15th Yes _____ No _____

Annual FNTAA Golf Tournament Wed Sept 15th Yes _____ No _____

Conference Registration Fees: Members \$400.00 Non-Members \$450.00

Total \$ _____ Received by: _____ Date _____

Please mail payment to First Nation Tax Administrators Association
c/o 1500D Admirals Rd, Victoria BC, V9A 2R1

Forms may be faxed to 250-383-1084

For Conference Information call Christina 250-383-3719

Delegates are responsible for their own
travel and accommodation costs and arrangements

Hotel Information:

Mention: FNTAA 17th Annual National Forum to receive block room rate

Marriott Edmonton at River Cree Resort

300 East Lapotac Blvd, Enoch, Alberta T7X 3Y3 Canada,

Phone: 1 780 484 2121 Fax: 1 780 930 2584 Toll-free: 1 800 960 4913

The HST: Implications for BC First Nations Governments and Businesses **By Heather Mahony and Drew Mildon**

British Columbia will implement the harmonized sales tax (the “HST”) on July 1, 2010. HST is the current regime in Nova Scotia, Newfoundland and New Brunswick. Ontario will also implement the HST in 2010. The HST will generally apply to the same tax base and be subject to the same rules as the GST, though with some limited rebates including children’s clothing and motor fuels. Although First Nation individuals who, by necessity, make purchases off-reserve may well face immediate cost increases, overall, First Nation businesses and governments will probably benefit from the HST. Below are some examples.

Impact on Exemptions Available to First Nations Governments and Band-Empowered Entities

Since the Federal government has generally taken a broader view of the exemptions available to First Nations governments than has the Provincial government, the HST will result in an expansion of exemptions to match the Revenue Canada policies under the current GST regime. For example, First Nations and incorporated and unincorporated “band empowered entities” who were formerly liable to pay PST may claim an exemption for the full HST where it acquires the good or service for band management activities (i.e., non-commercial activities for which the entity would not otherwise be entitled to an input tax credit).

Impact on First Nations’ Transaction Taxation under the FNGST

Goods and services that are taxable under the HST will be FNGST-taxable, but the tax rate for the FNGST will be the same as the federal portion of the HST. Because Status Indians must pay the federal portion but not the provincial portion of the HST for on-reserve FNGST-taxable purchases, it appears that on-reserve businesses will be back in the business of checking status cards to determine whether the consumer is liable for the full HST (non-Status) or only the federal portion (Status). A notable example is restaurant food, which was previously PST-exempt.

Impacts for First Nation Businesses

First Nations’ and First Nation individuals’ on-reserve un-incorporated businesses whose purchases of supplies qualified for *Indian Act* PST exemptions will lose this previous business advantage, since under the HST, other businesses will be able to claim input tax credits for the full amount of the HST. Still, the increased availability of input tax credits stands to benefit First Nations’ businesses generally.



For more information, contact Heather Mahony or Drew Mildon:

www.woodwardandcompany.com

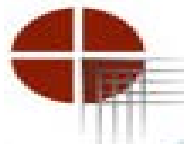
tel (250) 383-2356

fax (250) 380-6560

heather@woodwardandcompany.com

drew@woodwardandcompany.com

**INTERNATIONAL PROP-
ERTY TAX INSTITUTE**
**Land • The Economic and Social
Platform for First Nations**



AFOA Canada AGM

March 3-4, 2010

Ottawa, Ontario

This conference was held in Victoria March 16 and 17, 2010. A number of our colleagues were in attendance, including most of the FNTAA Directors.

It is interesting to put Canada’s First Nations Property Taxation in an international context.

The First Nations Tax Administrators Association held an exhibitors booth at the Aboriginal Financial Officers Association of Canada Annual General Meeting in Ottawa.

The purpose of our exhibit is to raise awareness of our Association among Aboriginal Financial Officers.

Deanna Hamilton drew the winning ticket for the To-shiba Notebook. The winner is Marcie Portelance.

