



Nisga'a Lisims Government

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Update on Taxation on Nisga'a Lands

The Nisga'a Treaty has been amended to restore the section 87 tax exemption for Nisga'a citizens, and to restore the section 87 tax exemption on former Nisga'a reserves, as of January 1, 2024. The purpose of this communique is to update citizens on how the tax exemption will work on Nisga'a Lands as of January 1, 2024.

Provincial Sales Tax (PST)

As of January 1, 2024, status individuals will be able to buy goods on the Nisga'a former reserves exempt from PST.

Please note that your tax exemption will not apply on all of Nisga'a Lands. It will only apply on Nisga'a former reserves. Purchases on Nisga'a Lands but off of the Nisga'a former reserves will be subject to PST. For example, purchases made within the Nisga'a Museum will remain subject to PST, because the Nisga'a Museum is not on a Nisga'a former reserve.

Good and Services Tax (GST)

Currently, the Nisga'a GST overrides the section 87 tax exemption on Nisga'a Lands. Nisga'a Lisims Government expects that the Nisga'a GST will no longer be applicable as of January 1, 2024, although it remains possible that the Nisga'a GST will not end until sometime in January or February 2024. Nisga'a Lisims Government will update citizens on this in December.

Once the repeal of the Nisga'a GST takes effect, status individuals will be able to buy goods on the Nisga'a former reserves exempt from GST.

Purchases by status individuals made on Nisga'a Lands but off of the former Nisga'a reserves will be subject to federal GST. For example, purchases made within the Nisga'a Museum will be subject to federal GST.

Income Tax

As of January 1, 2024, a status Individual will be exempt from income tax on their employment income if that employment income is "situated" on a former Nisga'a reserve.

Income does not have a physical location. The Supreme Court of Canada created the “connecting factors” test to determine whether income is “on reserve” and therefore exempt under section 87 of the *Indian Act*: first, determine what factors connect the income to a reserve and what factors connect the income off of reserve; second, assign weight to those factors; third, conclude whether there is a sufficient connection to reserve. This is a vague and hard to apply test.

For employment income, the Canada Revenue Agency has recognized that the connecting factors test can create uncertainty and challenges for both employers and employees. As a result, the Canada Revenue Agency created the [Indian Act Exemption for Employment Income Guidelines](#) (clickable link) to provide guidance to employers and employees.

Nisga’a Lisims Government recommends that you consult the Guidelines, and your financial advisors, to assess whether your employment income would be exempt under section 87 of the *Indian Act*. Please note that the Canada Revenue Agency has indicated that “almost” fitting within a guideline is not good enough to be exempt.

If your employment income is exempt from income tax, you are also exempt from Canada Pension Plan contributions. However, Nisga’a Lisims Government strongly recommends that you opt-in to making CPP contributions even if your employment income is tax exempt.

You are still subject to employment insurance premiums even if your income is tax exempt.

If your income is tax exempt, you can choose to report the part of your income that is exempt from tax on [Form T90, Income exempt under the Indian Act](#) (clickable link), so that the Canada Revenue Agency can determine your Canada Training Credit Limit, your Canada workers benefit, and calculate your family's provincial or territorial benefits.

Status Cards

Nisga’a citizens with status may have trouble claiming their tax exemption unless they obtain a new status card.

Nisga’a citizens with status may apply for new status card applications through the Nisga’a Village with which they originate. Nisga’a citizens with status may also apply at Indigenous Services Canada (ISC). Further information for applying at ISC may be found by scanning the QR code below.

TO APPLY FOR YOUR STATUS CARD

You may apply for the SCIS by mailing your application. For more information, scan the QR code or visit canada.ca/indian-status-card



ISC -states If you encounter an issue with acceptance of your status card, please call **1-800-567-9604** for Certificate of Indian Status Cards. They can confirm the validity of your card.