

Ontario First Nations Status Card HST Rebate – Facts & Updates

Overview

In Ontario, eligible First Nations people and communities are entitled to a point-of-sale rebate of the 8% provincial portion of the HST on qualifying off-reserve purchases. This means a Status Indian customer (i.e. a person with a Certificate of Indian Status issued under the federal *Indian Act*) should only be charged the 5% federal tax (GST) on eligible purchases, instead of the full 13% HST, when they present their status card at checkout. The program, introduced in 2010 and formally updated in 2020, remains in effect today with essentially the same rules. (It is unique to Ontario – other provinces do not offer a similar point-of-sale provincial tax exemption for Status Indians off-reserve.)

Who Qualifies: The rebate applies only to *Status Indians* (First Nations people with status under the Indian Act) who are Ontario residents (or residents of the Akwesasne reserve) and to Ontario First Nation bands or band councils. It does not apply to Métis or non-status Indigenous people, since they are not covered by the Indian Act tax exemption framework. To qualify, the purchase must be for the exclusive personal use of the eligible First Nation purchaser or for official use by the band – purchases made for resale or business activities do not get this relief. In other words, a Status Indian buying items *for their business* (on which they could claim input tax credits) is not entitled to the point-of-sale HST rebate (they would pay the full HST and recover the tax through the normal input credit mechanism). Likewise, a band or band council must be buying for its own use (community or administrative purposes) to get the rebate, not, for example, for a private enterprise.

Business-to-Consumer (B2C) Eligible Purchases

Most everyday goods and services are eligible for the 8% HST rebate when sold to a qualifying Status Indian customer, with some notable exceptions. Broadly, qualifying purchases include tangible personal property (physical goods) and certain services, as long as HST was paid on them. Common examples that do qualify for the rebate include:

- **General merchandise:** e.g. clothing, electronics, appliances, furniture, hardware, etc., when purchased off-reserve by a status customer (these items are normally fully taxable, so the 8% provincial tax can be rebated at point-of-sale).
- **Motor vehicles:** cars or trucks (new or used) bought from a dealer.
- **Take-out meals:** restaurant takeout or prepared meals intended for off-site consumption (as opposed to dining in – see exceptions below).
- **Services for goods:** services to install, assemble, repair, or maintain qualifying tangible goods (e.g. a repair to a status customer's appliance or vehicle qualifies for the rebate).
- **Telecommunications:** e.g. cable TV, internet, or phone services billed to a Status Indian customer.
- **Warranty or maintenance plans** for qualifying goods.

On the other hand, some purchases are explicitly excluded from the Ontario portion of the rebate, even if the customer has a status card. These do NOT qualify for the 8% rebate and remain fully taxable at 13% HST:

- **Alcoholic beverages** (beer, wine, spirits)
- **Tobacco products** (cigarettes, chewing tobacco, etc.)
- **Most cannabis products:** recreational cannabis that bears a federal excise stamp is treated like tobacco/alcohol (no rebate). *(Note: Medical cannabis from a licensed producer is eligible, as it's a tangible good and not a "stamped" recreational product, per Ontario guidelines in 2020.)*
- **Gasoline and fuel** (vehicle fuel, heating fuel)
- **Utilities:** Electricity, natural gas, and any other form of energy
- **Meals eaten at restaurants:** Dine-in restaurant meals and catering services (only takeout food qualifies for rebate)
- **Real property and lodging:** Purchases of real estate (e.g. a new home) or transient accommodation such as hotel stays and campground fees are not eligible for this point-of-sale rebate (these items are outside the "tangible personal property" category).
- **Items already tax-exempt or rebated:** No rebate is given if the item *already* has no provincial HST by law. For example, basic groceries are zero-rated (no HST charged), so no rebate is needed. Ontario also provides provincial HST rebates on certain items for all consumers (e.g. children's clothing, books, print newspapers, certain prepared foods under \$4, etc.). In such cases, the tax system already removes or rebates the 8% Ontario portion automatically for

everyone. A status card doesn't further reduce tax on those items because the provincial tax was never charged in the first place (or was rebated at source).

Examples: A Status Indian customer buying a laptop (a physical good) from a store in Thunder Bay should be charged only 5% GST at checkout when they show their status card, saving the 8% Ontario portion of HST. If the same customer also buys a fast-food meal to-go, that takeout meal also qualifies for the 8% rebate (only 5% tax charged). However, if they sit down to dine at a restaurant, the full 13% HST applies – no exemption – because dine-in meals are excluded from the rebate. Likewise, if they fill up their car's gas tank or purchase alcohol, tobacco, or lottery tickets, they must pay full HST despite holding a status card (those products are excluded).

Business-to-Business (B2B) Considerations

The Ontario point-of-sale rebate is primarily aimed at business-to-consumer transactions (sales to individuals for personal use). If the customer is purchasing on behalf of a business or other organization, different rules apply:

- **Status individuals buying for a business:** If a Status Indian person is buying goods *for use in a business* (their own enterprise or employer) rather than for personal use, the purchase does not qualify for the point-of-sale HST rebate. The rationale is that businesses can recover HST through input tax credits, so the special consumer rebate isn't intended for them. In practice, a retailer should not apply the 8% tax discount if the customer's purchase is clearly for commercial or resale purposes. The status card exemption is only for personal consumption by the cardholder. (Example: a status customer buying bulk supplies for their business or tools for a company – they should be charged full HST and later claim any eligible credits through GST/HST returns, rather than using their status to avoid the provincial portion at sale.)
- **Sales to First Nation bands or councils:** First Nation band governments (or band councils) are eligible for the 8% HST rebate on purchases for band use, but this falls under a business-to-business transaction. In these cases, the band or council must present a letter on official band letterhead certifying that the goods or services are exclusively for the use of the band (or band council). The vendor should retain this letter as proof. For example, if a band council office is purchasing office supplies or equipment for administrative use (off-reserve), they can receive the 8% rebate at point-of-sale by providing the certification letter

along with the band's status number information. If they cannot provide such documentation, or if the purchase is for someone else's use, the rebate should not be given. (Note: Band-owned corporations or businesses not operated by the band council generally would not qualify for the rebate at point-of-sale, unless the purchase is made directly by the band with the necessary certification. In those cases, normal tax rules apply or the Indian Act section 87 exemption may apply if the goods are delivered on-reserve.)

Processing & Compliance for Vendors

Retailers in Ontario should follow **proper procedures** when handling tax-exempt sales to status customers to stay compliant and provide a good customer experience. Key steps include:

- **Verify Customer ID:** The customer must present a valid federal Status Card (Certificate of Indian Status with photo) at the time of purchase. Vendors should visually confirm that the photograph matches the purchaser and that the card is valid (not expired, if it has an expiry date). Ontario also accepts the newer Temporary Confirmation of Registration document with government-issued photo ID as proof, in cases where an individual is waiting for their status card.
(Important: Band membership cards or Métis Nation cards are not acceptable for this Ontario provincial rebate, as they are not issued under the Indian Act.)
- **Ensure the sale qualifies:** The cashier or staff should be aware of which goods/services are eligible for the tax rebate. If an item in the cart is excluded (e.g. tobacco or alcohol), that item must still be taxed at 13% even if other items are tax-relieved. Many point-of-sale systems in Ontario are programmed for this rebate, but staff training is helpful so that status customers aren't wrongly overcharged or undercharged. If unsure, err on the side of caution and charge the tax – the customer can later apply for a rebate from the government if entitled.
- **Charge 5% instead of 13%:** When all criteria are met (an eligible customer and an eligible purchase), the vendor gives the rebate instantly by only charging the 5% GST portion on the sale. The 8% provincial portion is credited at checkout, effectively not collected from the customer. The receipt should show that HST was only calculated at 5%. (Some receipts may note an "Ontario First Nations HST relief" or similar.) Vendors later adjust their tax remittances accordingly – the 8%

not collected is deducted as Ontario First Nations rebate on their HST return as per CRA reporting rules.

- **Record the transaction details:** For each tax-relieved sale, the seller should document key information for audit purposes. This includes the date, the customer's name, their Status card registration number, the band number (if shown on the card), and a brief description of the items sold. If selling to a band/council, keep the certification letter on file as well. These records must be retained for a minimum of 6 years in case of a Ministry of Finance audit to prove why the provincial tax was not collected.
- **No Card, No HST Exemption:** If the customer doesn't have their Status card or official documentation with them, the vendor cannot give the tax rebate at point-of-sale. It's not sufficient to "know" someone is status or to accept other forms of Indigenous ID – the provincial rule requires the *Certificate of Indian Status* (or temporary registration document) to be presented and validated each time. Staff should be polite but firm on this rule to avoid any compliance issues. (They can gently advise the customer that if they pay the tax now, they can still apply for a rebate from the Ministry afterward using their receipts.)
- **Remote/Online Sales:** For online, phone, or mail orders, the rebate generally cannot be provided at the time of sale because the seller cannot verify the status card in person. In such cases, the customer is typically charged full HST. The Status First Nation customer may then submit a rebate claim to Ontario's Ministry of Finance after the purchase. (For example, an on-reserve customer ordering goods online from an off-reserve retailer will pay 13% HST on checkout, but they can later mail in the receipts and a rebate form to recover the 8% portion.) Similarly, if goods are shipped via mail or courier from out of province, the Canada Border Services Agency can handle the rebate of the Ontario portion at the border if the status card is presented to the officer; otherwise, the individual can claim it afterward.
- **Customer Rebates after the Sale:** If, for any reason, the vendor doesn't or can't give the rebate at checkout (e.g., the customer didn't have ID on hand, or a particular system limitation), the Status customer can still claim the 8% tax back directly. They need to submit an Application for Rebate of the Ontario Portion of HST for First Nations to the Ontario Ministry of Finance, along with their receipts and a copy of their Status card. The rebate form (Form 013-0248) is available

online, and as of 2025, the customer has up to 4 years from the purchase date to file a claim. Vendors may want to keep blank forms or info sheets handy to give to status customers in such cases, as a courtesy.

- **Audit and Reporting:** Vendors who provide the 8% relief at point-of-sale should report it properly on their tax returns (there is a specific mechanism to account for the uncollected 8% in the GST/HST return – see CRA Info Sheet GI-106 for details. All documentation should be kept in case the tax authorities audit the transactions. The bottom line for compliance is: no provincial tax collected without proper proof on file. If a business cannot demonstrate that an appropriate status card was seen and recorded (or a band letter for band sales), they could be assessed for the missing tax in an audit. Ensuring staff are trained on these procedures will both maintain compliance and create a positive experience for Indigenous customers.

Want to Learn More?

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