

Sales to Federal, Provincial, Municipal and Indian Band Government Bodies

Motor Fuel Tax Act, Carbon Tax Act, Tobacco Tax Act, Consumption Tax Rebate and Transition Act, and Hotel Room Tax Act

Do you sell fuel, tobacco, designated property (vehicles, boats and aircraft) or accommodation to government bodies?

Do you purchase fuel, tobacco, designated property (vehicles, boats and aircraft) or accommodation on behalf of a government body?

This bulletin explains how British Columbia's provincial sales taxes, i.e. motor fuel tax, carbon tax, tobacco tax, tax on designated property, and municipal and regional district tax, apply to sales to the federal government, and provincial, municipal and Indian band governments. This bulletin also explains how the federal harmonized sales tax (HST) applies to sales to the Government of British Columbia.

Provincial Sales Taxes

Federal, provincial and municipal governments all pay British Columbia's motor fuel tax, carbon tax, tobacco tax, tax on designated property, and municipal and regional district tax on purchases in British Columbia, unless the item or accommodation purchased is specifically exempt under the legislation.

Sales to Indian Band Governments in British Columbia

For the purposes of provincial sales taxes, there are two categories of Indian band governments in British Columbia and tax applies differently to them as outlined below.

1. Indian bands that qualify as a band under the *Indian Act* (Canada)

Indian bands in this category are exempt from paying British Columbia's motor fuel tax, carbon tax, tobacco tax, tax on designated property, and municipal and regional district tax if the sale occurs on reserve land. Reserve land is land that qualifies as a reserve or designated land under the *Indian Act* (Canada).

2. Indian bands that have a treaty or a land claims agreement in effect with Canada and British Columbia that sets out a different taxation structure

Currently, there are two Indian bands in British Columbia in this category – the Nisga’a Nation and the Tsawwassen First Nation. Nisga’a Nation and Tsawwassen First Nation government bodies pay British Columbia’s motor fuel tax, carbon tax, tobacco tax, tax on designated property, and municipal and regional district tax on purchases in British Columbia, unless the item or accommodation purchased is specifically exempt under the legislation. Under certain circumstances, these government bodies may apply for a refund of taxes paid. For more information, please see [Bulletin GEN 013](#), *Provincial Taxes on Nisga’a Lands* and [Notice 2009-003](#), *Sales to Tsawwassen First Nation Customers*.

For information on sales to status Indians and Indian bands, please see the following bulletins:

[Bulletin MFT-CT 002](#), *Sales to Status Indians and Indian Bands, and the Exempt Fuel Retailer Program*

[Bulletin TTA 001](#), *Exempt Sales Made by Retail Dealers (ESRDs)*

[Bulletin HRT 004](#), *Hotel Room Tax Exemption for Indians and Indian Bands*

[Bulletin CTR 001](#), *Tax on Designated Property (Vehicles, Boats and Aircraft)*

Federal Harmonized Sales Tax (HST)

Effective July 1, 2010, all British Columbia government ministries, agencies, boards, commissions and Crown corporations pay HST on their purchases of taxable property and services.

For more information, please see [HST Notice 6](#), *HST Notice for Suppliers of Taxable Property and Services to the BC Government*.

For information on how HST applies to federal, other provincial and municipal governments, and Indian bands, please see the Canada Revenue Agency (CRA) guide RC4022, *General Information for GST/HST Registrants*, available on CRA’s website at www.cra-arc.gc.ca/E/pub/gp/rc4022/README.html

Need more info?

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Motor Fuel Tax Act*, *Carbon Tax Act*, *Consumption Tax Rebate and Transition Act*, *Tobacco Tax Act* and *Hotel Room Tax Act*, and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm