

# Response to Community Questions about the First Nations Goods & Services Tax (FNGST)

*Community members have asked a number of questions about the FNGST since our last mailout. This document is an attempt to answer those questions.*

## **WERE THERE COMMUNITY MEETINGS TO DISCUSS THIS IDEA?**

### **1. Did the Tsleil-Waututh leadership discuss this idea with the community before going ahead with this tax?**

Tsleil-Waututh Nation decided to begin meeting with Canada to discuss this tax in 2004. As you will see in the attached timeline, there have been a lot of meetings over the past 3-4 years to discuss this idea with the community. In addition, there were a lot of mailouts that went to all community members living on and off-reserve. A community focus group also had detailed discussions about the idea for over a year.

### **2. Why hasn't the money come in from this tax yet?**

The federal government is prepared to begin collecting these taxes and paying Tsleil-Waututh approximately \$100,000 per month. However, some community members still have questions that they would like to have answered. That is why you are receiving this mailout.

## **WILL THIS EFFECT ME PERSONALLY?**

### **3. Am I 'selling out' my aboriginal rights?**

No. This is a five-year agreement that trades your ability to purchase goods & services tax-free for a significant amount of revenue for your community. If the community finds that there are not enough benefits in paying this tax, the agreement can be cancelled at any time.

### **4. Will I have to pay the Goods and Services Tax on every purchase I make?**

You now pay GST (5%) on about half of everything you buy. Under the FNGST you will be required to pay the full GST on all purchases that are brought or delivered to the Tsleil-Waututh Nation reserve. If you purchase something on another reserve and it is used or consumed outside of the TWN reserve, you will not have to pay the FNGST if you present your status card.

### **5. Does this mean I will have to start paying other taxes too?**

No. If you are not paying it now, you will continue to be free from paying property tax, federal or provincial income tax or provincial sales tax.

### **6. Will I lose my Indian Status if I begin paying the FNGST?**

There is no impact on any individual's standing as a "Status Indian" under the *Indian Act*.

### **7. Can I still apply for the federal GST tax credit?**

Yes. You will still get any GST credit payments that you presently get from Canada.

**8. Will I have to pay the GST if I build a house on the reserve?**

Yes you will, and this can really add up. However, you can apply to a federal government program that rebates the GST on any new home worth up to \$350,000. Information on this program can be found at the following phone number: 1-800-959-5525.

**9. Will I have to start paying GST for my business expenses on reserve?**

If your business earned over \$30,000 the previous year, you will have to pay GST on your business expenses. However, these costs are returned to you as refundable credits.

**10. So what is in this for me?**

There has been a lot of discussion about starting a Health, Fitness and Recreation Enhancement Grant Program that would provide \$500 to every Tsleil-Waututh adult and child to spend you want on family or personal wellness. Also, there is a lot of support for a Senior's Benefit Program that will give each senior about \$300/month. These will provide a far greater financial benefit that members currently get by not paying the GST. (For example, if you bought a car for \$20,000 the GST would cost \$1000. This is the same amount that a couple would receive from a Health, Fitness and Recreation Enhancement Grant that year. And who buys a car every year?).

## **WHAT'S IN IT FOR THE COMMUNITY?**

**11. How have other First Nations used the FNGST funding?**

Tsawout on Vancouver Island has built a number of community buildings with their funds, including a recreation centre. Westbank First Nation in the Okanagan used their tax money to build community facilities and to hire community workers to help members in need. Whitecap Dakota in Saskatchewan used its tax revenues to fund elders, youth and cultural projects.

**12. What improvements are Tsleil-Waututh community members looking for?**

Through a series of meetings, Tsleil-Waututh members have expressed a need to improve programs and services in the areas of education & training, health, community infrastructure, Elders programs, housing and economic development, and to set aside funds for a 'rainy day'. Through the focus group, Tsleil-Waututh has proposed the establishment of Senior's Benefit program, a Health, Fitness and Recreation Enhancement Grant, and improvements to education and health programming for all Tsleil-Waututh members.

**13. Who will decide how this 'new' money is going to be used?**

At the last community meeting on this topic, it was suggested that the community move forward to complete the FNGST process and then have additional meetings to provide direction for how the money will be spent.

**14. How will we ensure that our poorest members are not hurt by this tax?**

The proposed "Health, Fitness and Recreation Enhancement Grant" would provide each Tsleil-Waututh man, woman and child with an annual grant that would more than offset anything they will spend on the GST in a given year. In addition, lower-income Canadians are eligible for a number of federal and provincial government benefits, including sales tax credits.

## **WHAT'S THE BOTTOM LINE?**

### **15. Doesn't Tsleil-Waututh have enough money?**

The short answer is “no”. The money that TWN receives from other governments only covers the minimum governance functions and certain programs and services to “on-reserve” members. However, TWN members currently enjoy a lot of benefits and services that are not funded by other governments, including respite care, Elder care, health services, the school bus, the community centre, the after-school program, the summer camp, youth programs, training, counselling, etc. These programs are mostly supported by the profits that the Tsleil-Waututh Nation makes on housing developments. But this is not sustainable. To continue these programs and services and to expand the services provided, new sources of funding are needed. Profits need to either be spent on other profitable businesses or invested so that future generations also have something to rely on. And in the long term, there is a goal of becoming financially self-sufficient so that we are not told what to do by other governments.

### **16. So how much of the tax are we going to have to pay?**

Less than 1 in every 4 dollars that the Tsleil-Waututh Nation will receive from the FNGST will come from Tsleil-Waututh members. The rest will come from the mainly non-native residents in the Ravenwoods developments.

### **17. Is there any guarantee that Canada won't just claw this money back by reducing funding that is currently received by Tsleil-Waututh?**

This is a bilateral agreement between the federal Department of Finance and TWN. INAC and Health Canada are not involved in any way, so INAC or Health Canada have no grounds to reduce annual funding to TWN.

### **18. Is Canada going to be able to tell Tsleil-Waututh how to spend the money?**

No. How Tsleil-Waututh uses this revenue will be up to the community.

## **WILL THIS EFFECT RAVENWOODS CONDO SALES?**

### **19. Will people purchasing condominiums need to pay the goods and services tax when they purchase a unit?**

Yes, if the unit is new. This can be built into the purchase price like it is on all developments off the reserve.

### **20. Will the Status Indians living in the Ravenwoods developments need to begin paying the GST on their purchases?**

Yes. But even though Takaya Developments has been charging the GST on the latest townhouse developments almost all of the units are sold.

## **WHERE CAN I GET MORE INFORMATION?**

Tsleil-Waututh members who have additional questions can contact Dale Komanchuk, the TWN Director of Administration and Public Works at 604-924-4165 or by email at [dkomanchuk@twnation.ca](mailto:dkomanchuk@twnation.ca), or you can contact the federal Department of Finance at 1-800-959-8287.