



Governments require revenues to deliver all the programs and services to citizens. The Final Agreement will ensure that taxes paid by residents are returned to the Kitselas government and will be used to support economic development, public works and improve programs and services.

Taxation allows us to earn revenue and spend it on what we believe we need.



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Kitselas Treaty

UNDERSTANDING INCOME & SALES TAX





A Final Agreement is a bright new future for the Kitselas people. Under Final Agreement, much of the Indian Act and its oppressive legislation will no longer apply to us, including the Section 87 tax exemption. Instead, we gain the ability to collect taxes and generate revenue on our lands. This is crucial to becoming a self-governing Nation.

Why will we pay taxes under Final Agreement?

Section 87 of the Indian Act provides tax exemptions for Status Indians living and working on-reserve. As mentioned earlier, the tax exemption is removed. It is a pre-condition to negotiations that Section 87 no longer apply.

Is there a benefit to giving up our tax exemption?

Yes, tax agreements created by the Final Agreement will ensure that tax revenue coming to Kitselas will increase as our lands are developed and our membership grows.

Under Final Agreement, Kitselas will directly benefit from the taxes paid by Kitselas people on Kitselas lands. We will receive most of the income and sales tax paid by residents, and all of the property tax. This money will be used to support economic development, public works and improve programs and services.

How much revenue will new taxes give us?

If the Final Agreement and tax agreements were in effect today, it has been estimated the Kitselas government would receive \$341,650 per year from Canada and \$107,870 per year from British Columbia. That means our government will have \$449,520 in extra funding to spend on improving the conditions on our lands. For example, we can have new parks, recreational facilities and bylaw enforcement officers (i.e., dog catchers).

How much will these taxes impact Kitselas?

Most people will not notice much of a difference in the amount of tax they pay after Final Agreement. If you work off-reserve, you already pay income tax, and if you shop off-reserve, you already pay sales tax. Tax-exempt employees will notice the biggest difference because of the addition of income tax.

When do we start paying taxes?

After Final Agreement, Kitselas members will pay the same taxes as all other Canadians, including income tax, property tax and sales tax. However, it will not happen right away. Eight years after Final Agreement, Kitselas members will begin paying sales tax (PST), and 12 years after Final Agreement, we will begin paying income and property taxes.

Can I afford to pay taxes?

The Canadian tax system is "progressive," which means that those people who have the ability to pay more do so, and low-income earners do not pay tax. For example, those on Income Assistance or Workers Compensation do not pay income tax, while higher-income earners pay more tax as their incomes increase. This ensures that the tax burden is fair.

For example, anyone on Social Assistance, a single person earning less than \$10,000 per year, or a family of four earning less than \$26,000 per year, will not pay income tax. Low-income Canadians also receive GST credits to reduce the amount of sales tax they pay.

What about non-members living on Kitselas lands?

Non-members currently pay taxes to Canada and BC. Under the Final Agreement, Kitselas will enter into tax agreements with BC and Canada to receive most of the income and sales tax paid by non-members living on Kitselas lands. Kitselas will be the only government able to collect property taxes on Kitselas lands, and we will receive all of the property tax from non-members.

"[Paying taxes] is the cost of buying into Canada."

*Ed Wright
Nisga'a Lisims Government*