



First Nations Tax Commission
Commission de la fiscalité des premières nations



Taxing for Growth: First Nation Experiences

Northern Policy Institute, North Bay, ON

September 27, 2018



Chichen Itza – Building Infrastructure with tax revenues in remote areas





First Nations always had tax and fiscal powers

*“Iaka aias tiki mamuk ayu chi haws; iaka wiht mash chikmin kopa ukuk, kakwa iaka iskom drit ayu **taksis** kopa iaka tilikom, pi iaka mamuk kopit chikmin kopa kanawi ilih.*”

*“He desired to build many new buildings; he also spent more money on that, so he collected quite a lot of **taksis** from his people”*
- Kamloops Wawa #210 (June 1904)

Removing First Nation Tax Jurisdiction

- ▶ Original efforts to establish contemporary First Nation tax jurisdiction were from Ontario:
 - ▶ Abernaki (1841) and Tyendenega (1875) property tax
 - ▶ Six Nations (1900(s)) – Labor and railway taxes
- ▶ Between 1876-1927 First Nations were legislated out of tax jurisdiction:
 - Property tax – 1870 – 1890s
 - Resource taxes – 1880s – 1930s
 - Income taxes – 1918
 - Sales taxes – 1923
 - 1927 – It was made an offence for First Nations to raise revenues for the purpose of pursuing land claims.
- ▶ In 1918 – Calgary MP Thomas Mitchell Tweedie said:

“Well the Indian may be satisfied or he may not. My personal view with regard to the Indian is that he is the ward of Government, and being a ward he is bound to accept the treatment given him.”



Source: Archives Society of Alberta

Restoring Tax Jurisdiction in Ontario – 1968

It is submitted that the Province of Ontario should permit the Band to collect taxes from their own lands which are leased to non-Indians. This would be a progressive step towards creating self-sufficient Bands and at the same time assisting the Bands to provide needed services to lease-hold lands. All of which is respectfully submitted.

Brief of Indian Tax Grievance Committee, Nov 13, 1968

- Curve Lake First Nation, Hiawatha First Nation (Mississaugi of Hiawatha), Sauguen First Nation, Chippewas of Nawash Unceded First Nation, Chippewas of Georgina Island, Chippewas of Kettle & Stony Point First Nation, Walpole Island First Nation & Beausoleil First Nation (Christian Island).

Restoring Tax Jurisdiction



- ▶ “It is about philosophy.” He would always ask after one of my meetings. “Do they think like us?”
- ▶ The three part approach:
 1. Legislation for orderly transition of jurisdiction
 2. First Nation institutional framework to implement jurisdiction and provide regulatory framework
 3. Administrative capacity development to increase benefits from jurisdiction

A Brief History of Restoring First Nation Tax Jurisdiction

- ▶ 1988 – Indian Act was amended to enable First Nations to enact property tax bylaws
- ▶ 1989 – Indian Taxation Advisory Board was created to recommend FN property tax laws to the Minister of INAC for approval, and to help FNs exercise their property tax jurisdiction
- ▶ 2003 - First Nation GST Act
 - ▶ Replaced FN tax on Specific Products (Fuel, Alcohol & Tobacco)
 - ▶ 59 First Nation listed in Schedule 1 (FNGST) and 65 First Nations listed in Schedule 2 (FN parallel provincial sales tax)
- ▶ 2005 – First Nations Fiscal Management Act (FMA) was created, which
 - ▶ Expanded First Nation tax powers, to include DCCs, local improvement taxes, and taxation of business activities
 - ▶ Created the First Nations Tax Commission to approve laws directly
 - ▶ Improved enforcement and balancing of taxpayer and First Nation interests
 - ▶ Created the First Nations Financial Management Board (FMB) and First Nation Finance Authority (FNFA)
- ▶ 2008 – Tulo Centre of Indigenous Economics created to delivered accredited programs to implement jurisdiction



The FNTC supporting FMA First Nations

- ▶ 229 First Nations on the Schedule to the FMA as of March 2018
- ▶ 174 First Nations who have enacted property tax laws or are in the process of developing property tax laws
- ▶ FNTC has helped First Nations raise \$600 million in local revenues (\$1 billion since 1990 with ITAB) to deliver better services and provide new infrastructure to their communities and taxpayers
- ▶ These improvements meant over \$2 billion in investment in these communities
- ▶ The First Nations Financial Management Board (FMB) has certified over 100 First Nations in financial management and performance, and helped them to enact Financial Administration Laws
- ▶ The First Nations Finance Authority (FNFA) has helped raise about \$400 million in debentures to finance First Nation infrastructure.
- ▶ Over 200 students have taken accredited training from the Tulo Centre of Indigenous Economics




Some New Initiatives

- ▶ Aboriginal Resource Tax – To improve resource development process and ensure First Nations receive a fiscal benefit from development. The FNTC is working with First Nations, government and industry across Canada to develop the ART (including some in Northern Ontario)
- ▶ First Nation Infrastructure Institution – To support the development of economic infrastructure for interested First Nations. The FNTC is developing this institution with a number of First Nation representatives from across the country including some from Northern Ontario. It has received strong support from government.
- ▶ First Nation tobacco tax jurisdiction – For First Nations interested in working with other governments to generate fiscal benefits from manufacture and sale of tobacco on their lands. The FNTC has developed a working relationship with Ontario and interested First Nations to facilitate options to implement their tobacco tax jurisdiction.
- ▶ First Nation cannabis tax jurisdiction – First Nations are interested in generating a fiscal benefit from cannabis agricultural, processing, distribution and retail of cannabis. The FNTC has developed a comprehensive proposal to the Senate to enable this for interested First Nations.
- ▶ Revenue-based fiscal relationship – The FNTC is working with First Nations and First Nation organizations across the country to develop a better fiscal relationship that increases First Nation fiscal powers and support economic growth



Partnership Opportunities with Northern Policy Institute

- ▶ Work together with the FNTC to advance initiatives that would support Northern Ontario development
 - ▶ ART
 - ▶ FNII
 - ▶ Other fiscal powers and new fiscal relationship
 - ▶ Explore partnerships between NPI and Tulo Centre to:
 - ▶ Develop and provide joint workshops to interested First Nations and Northern communities
 - ▶ Develop proposals for policies and innovations that could support northern development
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Together we will help
each other be great and
good

*“What is ours will be
theirs and what is
theirs will be ours. We
will share in the
resources of this land
50/50.”*

1910 Memorial to Sir Wilfrid Laurier;

Signed at Spences Bridge, BC, July 16, 1910
by the Chiefs of the Indian Bands of the
Southern Interior of BC





Thank you

First Nations Tax Commission

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