

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 <u>taksis</u> kopa iaka tilikom, pi iaka mamuk kopit chikmin kopa kanawi ilihi."

"He desired to build many new buildings; he also spent more money on that, so he collected quite a lot of <u>taksis</u> 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 pursing 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

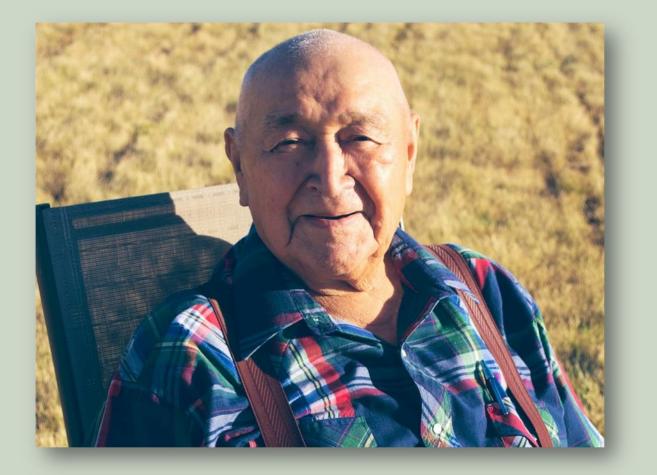
Restoring Tax Jurisdiction in Ontario – 1968

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), Sau geen First Nation, Chippewas of Nawash Unceded First Nation, Chippewas of Georgina Island, Chippewas of Kettle & Stony Point First Nation, Walpole Isla nd 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

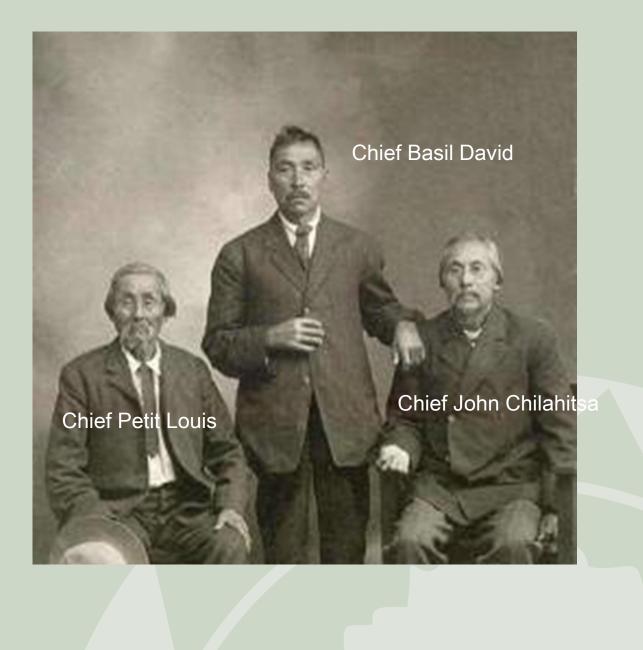
- Work together with the FNTC to advance initiatives that would support Northern Ontario development
 - ART
 - ► FNII
 - Other fiscal powers and new fiscal relationship
- Explore partnerships between NPI and Tulo Centre to:
 - Develop and provide joint workshops to interested First Nations and Northern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

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

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