

## Provincial Vehicle Tax – Status First Nation Exemption

The purpose of this bulletin is to provide clarification pertaining to the exemption of Provincial Vehicle Tax (PVT) ordinarily imposed under the **Harmonized Sales Tax Act** and the General Regulation, where the transaction takes place as part of a private vehicle sale to an individual of Indian status or an Indian Band.

Section 87 under the Federal *Indian Act* provides an exemption from taxation for goods and services purchased on a reserve by an Indian or Indian Band.

In order for an individual of Indian status to claim the Status First Nation exemption and transfer a vehicle exempt from the PVT, the individual must possess a valid Certificate of Indian Status Card issued by the Government of Canada **and** the vehicle must be delivered to a reserve located in Canada, **or** the sale must take place on a reserve located in Canada. Examples of valid types of Indian status cards in circulation can be found on the Crown-Indigenous Relations and Northern Affairs Canada website. **(Note: At the current time Métis people, Inuit or Indians from the United States do not qualify for the exemption as they do not meet the current definition of an Indian under the federal legislation.)**

At the time of registration, an individual must provide a valid Certificate of Indian Status Card or Temporary Confirmation of Registration Document to claim the exemption. In order for an Indian Band to claim the Status First Nation exemption, the vehicle must be registered in the name of the Indian Band. Both transactions require a valid bill of sale and a declaration form must be completed. The declaration must state that the sale took place on a reserve located in Canada or that the vehicle was delivered to a reserve located in Canada.

**(Note: While we recognize that many indigenous people in Canada prefer not to describe themselves as Indians, the term Indian is used for consistency with the legal definition in the Federal *Indian Act*. Please see the Federal [Indian Act](#) for definition clarifications).**

## Documentation Requirements

Vehicle transfers qualifying for the above noted exemption will be processed exempt of PVT by Service New Brunswick at the same time the vehicle is registered. The following documentation is required to apply the tax exemption:

- valid Certificate of Indian Status Card issued by the Government of Canada;
- copy of the bill of sale; and
- declaration form, available at Service New Brunswick, stating the sale took place on a reserve located in Canada or that the vehicle was delivered to a reserve located in Canada.

In its continuous efforts to ensure fairness and protect the integrity of the tax system, Finance and Treasury Board routinely conducts comprehensive reviews and audits of vehicle transactions. You may be contacted to verify eligibility for the exemption. If it is determined that the transfer did not qualify for the exemption, an assessment will be issued and may also result in the issuance of fines and / or penalties. Any person who knowingly provides false or misleading information, or who presents fraudulent documentation, commits a

serious offence. The department has recently reallocated resources to ensure the detection and subsequent assessment of individuals involved in tax evasion.

For more information, please refer to the [Bulletin PVTB-115](#); Tax Evasion Bulletin.

## **Additional Information**

If this bulletin does not address your particular situation, or if you have further concerns regarding taxes, please refer to the [Act](#) and related regulations, visit our website at: [www.gnb.ca/finance](http://www.gnb.ca/finance) or contact:

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Revenue Administration Division  
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Fredericton, NB E3B 5G5

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