

Ministry of Aboriginal Affairs

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Ministry of Revenue

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June 17, 2010

Ontario Regional Chief Angus Toulouse
Chiefs of Ontario
111 Peter Street, Suite 804
Toronto ON M5V 2H1

Dear Regional Chief Toulouse:

This letter is to indicate steps that we have taken collaboratively with First Nation representatives to fulfill our commitments under our Memorandum of Agreement and move forward with a point of sale exemption for First Nations under the Harmonized Sales Tax (HST). Our package of measures will be in place as of July 1, 2010, and will be in addition to the exemptions that will be provided after July 1 under the HST. These include on-reserve purchases and purchases delivered by vendors to reserve.

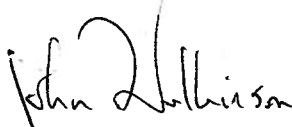
As you know, Ontario has worked collaboratively with First Nations and the federal government to deliver on our commitment to continue the point of sale exemption for the provincial portion of the HST. Consistent with the Memorandum of Agreement, the joint First Nation-Ontario technical table has worked with the federal government and has developed an approach that allows for the continuation of the exemption under the HST. The exemption will maintain the current practice that has been in place in Ontario for the last 30 years, and will apply to Status Indians for the purchase of eligible goods and select services off reserve.

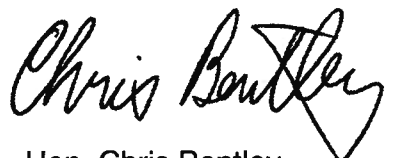
The federal government has agreed to facilitate the continuation of the current point of sale exemption by having the Canada Revenue Agency process point of sale rebate claims by vendors on eligible purchases made after August 31, 2010. This is confirmed in a letter we received from the Honourable Jim Flaherty, Minister of Finance, on June 17, copied to you. Ontario will introduce measures to put in place the legal authority for the point of sale exemption.

The point of sale exemption under the HST will be in place on September 1. In the interim, between July 1 and August 31, First Nations will be able to receive refunds after submitting receipts to the Ministry of Revenue.

Ontario is confident that this approach meets our joint commitments as set out in the Memorandum of Agreement.

Sincerely,


John Wilkinson
Minister of Revenue


Hon. Chris Bentley
Minister of Aboriginal Affairs