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CHIEFS OF ONTARIO

June 4, 2010

By Fax: 613-992-8320

Minister of Finance
Hon. Jim Flaherty
House of Commons
Ottawa, Ontario K1A 0A6

Dear Minister:

Re: **HST and Resolution of the Ontario Chiefs in Assembly**

I am writing pursuant to Resolution No. 10/55, which was passed by the Ontario Chiefs in Assembly on May 27, 2010, regarding continuation of the point of sale exemption for Ontario First Nations people under the HST.

As you know, a Memorandum of Agreement (MOA) was entered into between Ontario and First Nations in Ontario on May 3, 2010. This Agreement commits the government of Ontario and First Nations to work together towards ensuring that the point of sale exemption currently provided to First Nations people under the Ontario Retail Sales Tax (RST) system, remains in place and is effective by the time the HST comes into place on July 1, 2010. This MOA, which was subject to approval by the Chiefs, has now been ratified by the Chiefs in Assembly by Resolution No. 10/55.

The Resolution also directs our Political Confederacy to call for a meeting with federal and Ontario Ministers, which is the primary purpose of this letter. I am inviting you to meet with representatives of our Political Confederacy and Ministers of the Ontario government. My office has been in communication with the Ontario Ministers, who have indicated their willingness to attend an early meeting. We now just need your commitment.

I realize that a trilateral officials meeting is scheduled for June 7th in Ottawa, and I think this is important. However, I believe and the Chiefs believe that some of the issues will involve transformative discussions which will necessitate a political level engagement. Given that HST is scheduled to come into place on July 1st, I am hoping we can convene a political meeting on an urgent basis.

Resolution 10/55 also calls for Ontario and Canada to immediately issue a tax bulletin to all retailers in Ontario to communicate to them that the Ontario point of sale exemption will remain in place with respect to the Ontario portion of the HST. Obviously, if the point of sale exemption is to be in place by July 1st, it will be necessary to communicate this to the retailers as soon as possible and I trust you will direct your officials to take all the necessary actions.

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In closing, I want to reiterate that the MOA and Resolution No. 10/55 is premised upon maintaining the point of sale exemption "under the HST" system, not outside of it. We believe and Ontario believes this can be achieved in accordance with the terms of the Comprehensive Integrated Tax Coordination Agreement (CITCA). But, we need to work together in good faith and on a cooperative basis towards this objective. I understand that in the discussions you had with Chief Shining Turtle, you committed to pursuing this objective on this basis as well. Accordingly, I am optimistic that we will achieve the results which you indicated to Chief Shining Turtle were necessary to resolve this issue.

Thank you for your consideration and look forward to your earliest response.

Sincerely,

CHIEFS OF ONTARIO

A handwritten signature in black ink, appearing to read 'Angus Toulouse', with a long horizontal flourish extending to the right.

Angus Toulouse
Ontario Regional Chief

cc: Grand Councils / PTO's / Chiefs of Ontario
Premier Dalton McGuinty
Minister Bentley, Minister of Aboriginal Affairs
Minister Duncan, Minister of Finance
Minister Wilkinson, Minister of Revenue
Minister Strahl, Minister of Indian Affairs and Northern Development