

Information Bulletin

PST-63

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THE PROVINCIAL SALES TAX ACT

SALES TO FIRST NATIONS INDIVIDUALS AND ORGANIZATIONS

This bulletin has been prepared to help you apply, collect or administer the Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

Changes to this bulletin are indicated by a bar (|) in the left margin.

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A. GENERAL INFORMATION

First Nations individuals and bands are referred to as “Indians” and “Indian bands” in this bulletin as those are the terms used in the *Indian Act* (Canada), which establishes the tax exemptions for First Nations people and organizations. For the purposes of administering the PST, an Indian is a person who falls within the legal definition of an “Indian” under the *Indian Act* (Canada) and who is in possession of a *Certificate of Indian Status* card issued by the federal government. These cards are numbered and contain a photograph, name and the Indian band or registry number of the card holder. Métis and Inuit people, and First Nations people from the United States, do not meet the definition of an Indian under Canadian legislation.

Land that qualifies as reserve land under the *Indian Act* (Canada) includes designated reserve land as well as designated urban reserves.

Under the *Indian Act* (Canada) Indians and Indian bands are exempt from provincial taxation on tangible personal property situated on reserve or designated reserve land.

Since a corporation is a legal entity that is separate and distinct from its shareholders, most corporations do not qualify for the PST exemption. The exceptions relate to non-commercial band-empowered entities and corporations that act as the general partner on behalf of certain Indian-owned limited partnerships.

For additional information regarding Indian status, please visit Indigenous Services Canada - Canada.ca.

B. SALES AND LEASES OF GOODS TO INDIANS, INDIAN BANDS AND BAND-EMPOWERED ENTITIES

A vendor is not required to collect PST on the sale or lease of tangible personal property to an Indian, Indian band or non-commercial band-empowered entity providing the goods are delivered to a reserve by the vendor or a third-party carrier arranged by the vendor.

To qualify for the exemption an individual must present their *Certificate of Indian Status* card and the vendor must record the complete 10-digit card number on the sales invoice. For an Indian band or non-commercial band-empowered entity, the band number and band name must be recorded on the sales invoice. A band-empowered entity must also certify that the purchase is for non-commercial band-management activities. **The vendor must retain documentation to support the exemption, including proof of delivery such as a waybill, freight bill or postal receipt.**

The exemption applies on sales to Status Indians whether or not they reside on a reserve providing the vendor ships the goods to a reserve. If the customer takes possession of the goods off-reserve, tax must be collected in all cases. If the purchaser arranges for their own delivery of goods purchased or leased from a vendor located off-reserve, possession takes place off-reserve, and the sale or lease is not eligible for the exemption.

A joint purchase by a Status Indian and non-status individual does not qualify for the PST exemption.

Sales of otherwise taxable admissions, entertainment and recreation, sold to Status Indians, Indian bands and non-commercial band-empowered entities are not subject to tax providing the event or activity is held or performed on a reserve. The documentation requirements outlined above must also be met.

C. SERVICES PROVIDED TO INDIANS, INDIAN BANDS AND BAND-EMPOWERED ENTITIES

When services are provided to an Indian, Indian band or non-commercial band-empowered entity, the tax status depends on the nature of the service provided as outlined on the following page.

To qualify for the exemption, an individual must present their *Certificate of Indian Status* card to the service provider, and the complete 10-digit card number must be recorded on the sales invoice. For an Indian band or non-commercial band-empowered entity, the band number and band name must be recorded on the sales invoice. A band-empowered entity must also certify the purchase is for non-commercial band-management activities. The vendor must retain documentation to support the exemption, including the on-reserve location, service address, or matter to which the service relates. The specific exemption criteria for each service, in addition to the above documentation requirements, are outlined below:

Repair Services	Repair services performed on a reserve are exempt from tax when invoiced to a Status Indian, Indian band or non-commercial band-empowered entity. The service provider must retain evidence that the services were performed on reserve. For further reference please refer to Information Bulletin PST-57, <i>Repair and Installation Services</i> .
Services to Real Property	Services to real property that are performed on a reserve are exempt from tax when invoiced to a Status Indian, Indian band or non-commercial band-empowered entity. The service provider must retain evidence that the services were performed on reserve. For further reference please refer to Information Bulletin PST-12, <i>Services to Real Property</i> .
Legal Services	Legal services that relate to an activity or real property located on a reserve or that relate to treaty or land claim issues are exempt from tax. For further reference please refer to Information Bulletin PST-64, <i>Lawyers</i> .
Accounting Services	Accounting services related to on-reserve activities are exempt from tax. For further reference please refer to Information Bulletin PST-62, <i>Accounting Services</i> .
Engineering Services	Engineering services with respect to a facility or project on a reserve are exempt from tax. For further reference please refer to Information Bulletin PST-65, <i>Engineering, Geoscience and Architecture Services</i> .
Telecommunication Services	Telecommunication services, such as cable television services and telephone services, are exempt from tax only when the services are provided to Status Indians, Indian bands and non-commercial band-empowered entities residing on reserve. Telecommunication services provided off-reserve are subject to tax. For further reference please refer to Information Bulletin PST-8, <i>Telecommunication Services</i> .
Computer Services	Computer software and computer services sold to Status Indians, Indian bands and non-commercial band-empowered entities, are exempt from tax providing the goods are delivered to the reserve by the retailer or the computer services are with respect to an on-reserve facility or installation on a reserve. Computer software and computer services physically delivered to, or installed at, a location off-reserve are subject to tax. For further reference please refer to Information Bulletin PST-7, <i>Computer Software, Hardware and Computer Services</i> .

D. INSURANCE CONTRACTS

Contracts of insurance purchased by Status Indians, Indian bands or non-commercial band-empowered entities pertaining wholly to their property situated on a reserve as defined in the *Indian Act* (Canada), or pertaining to risks, perils or events that relate wholly to an activity or location on a reserve, are exempt from PST.

Contracts of insurance in respect of a Status Indian who is ordinarily resident on a reserve are also exempt from PST.

To qualify for the exemption an individual must present their *Certificate of Indian Status* card and the vendor must record the complete 10-digit card number on the sales invoice. For an Indian band or non-commercial band-empowered entity, the band number and band name must be recorded on the sales invoice. A band-empowered entity must also certify that the purchase is for non-commercial band-management activities. In addition, the purchaser must complete an [Exempt Insurance Sales Certificate](#) (or equivalent authorized by Finance) attesting that the insurance purchased by the Status Indian, Indian Band or non-commercial band-empowered entity pertains wholly to their property situated on a reserve as defined in the *Indian Act* (Canada).

Proration will be necessary when the above insurance pertains to subject matter that is both on-reserve and off-reserve.

For further reference please refer to Information Bulletin [PST-73, Insurance Contracts](#).

E. BAND-EMPOWERED ENTITIES

A **band-empowered entity** is a corporation, board, council, association, society, or other organization that is owned or controlled by a band, tribal council, or a group of bands other than a tribal council.

Band management activities are activities or programs undertaken by a band or band-empowered entity that are not commercial activities. In determining whether the acquisition of goods or a service is for band management, the output of the activity or program will be the determining factor, as opposed to the objectives of the activity or program.

Band-empowered entities including corporations and other organizations are entitled to the same exemption as Indian bands providing, they meet the following requirements:

- The band-empowered entity is formed for the sole purpose of non-commercial activities related to band management activities or for providing on-reserve services, including health centers, churches and schools;
- The band-empowered entity is comprised solely of Indians and/or Indian bands or an unincorporated tribal council; and,
- The band-empowered entity is situated on a reserve and the expenses are incurred on reserve.

Vendors must obtain the following certification on invoices for exempt sales to band-empowered entities:

“This is to certify that these goods or services are being purchased by (name of band-empowered entity) on (name of reserve) for band management activities and are exempt from tax.”

Signature of Authorized Official

F. TRIBAL COUNCILS

A tribal council is an organization established by two or more Indian bands with a common interest that have joined together to provide advisory and/or program services for their members. Some tribal councils become incorporated; however, many remain unincorporated. Purchases by incorporated tribal councils are subject to tax in all cases while purchases by unincorporated tribal councils are exempt from tax. To qualify for the exemption, the goods must either be purchased on a reserve or delivered to a reserve by the vendor.

G. INDIAN BUSINESSES

Unincorporated businesses located on a reserve and owned by individual Indians or an Indian band are not required to pay the tax on goods or services purchased for business use provided the goods or services are billed to a Status-Indian or Indian band and are delivered to a reserve by the vendor and the required documentation is retained by the vendor (refer to Sections [B](#), [C](#) and [E](#)).

Unincorporated businesses located off the reserve and owned by an Indian or Indian band are required to pay the tax on purchases of goods and services for business use.

Incorporated Indian businesses, whether located on or off reserve, are required to pay the tax on purchases of goods and services for business use with the exception of limited partnerships that qualify as outlined below.

H. PARTNERSHIPS

General Partnerships:

A general partnership is treated in the same manner as Indians and Indian bands. That is, where all members of the partnership consist of Indians and/or Indian bands, the sales tax exemption flows through to the partnership. In cases where one or more of the partners do not qualify for an exemption (i.e. non-Indian or corporation) purchases made by the partnership do not qualify for the tax exemption.

Limited Partnerships:

Although limited partnerships include an incorporated partner as the operating or general partner, and corporations are not legally entitled to the tax exemptions established by the *Indian Act* (Canada), an exemption is allowed on purchases made by certain Indian-owned limited partnerships providing they meet the following requirements:

- All limited partners are Indians, Indian bands or unincorporated tribal councils;
- Any incorporated general partner, established for the purpose of carrying on the business of the limited partnership, is wholly owned and controlled by the Indian limited partners and has less than a 5 per cent equity interest in the limited partnership; and,
- The limited partnership does not engage in commercial activities off of a reserve and complies with all other requirements relating to the tax exemptions under the Indian Act (Canada).

I. URBAN RESERVES

An urban reserve is land that has received official Indian reserve status from the federal government and is located within an urban municipality.

A vendor located on an urban reserve is not required to collect tax on goods sold to an Indian, Indian band or non-commercial band-empowered entity when the goods are picked up by the customer on the urban reserve and the required supporting documentation is retained by the vendor (refer to Sections [B](#), [C](#) and [E](#)). Sales made on an urban reserve to all other customers are subject to tax. The vendor is required to comply with the requirements outlined in Information Bulletin [PST-5, Registration and Reporting Requirements](#).

J. REMOTE STORES

A vendor who qualifies as a remote store is not required to collect PST or Vapour Products Tax (VPT) on goods sold to an Indian, Indian band or non-commercial band-empowered entity when the goods are picked up by the customer at the store location.

There are two ways that a vendor qualifies as a remote store:

- The store sells exclusively to Indians (at least 90 per cent of total sales), **and** is located within 10 kilometers of a reserve; or,
- The store made more than 50 per cent of its sales to Indians in the previous year, and is in a remote location, with a reserve within its regular trading zone. A remote location is over 350 km from the nearest established community with a population of 5,000 or more by the most direct route normally traveled, or surface transportation is not available year-round on paved or graveled roads linking the vendor with the nearest established community.

A vendor who qualifies as a remote store is only exempt from the delivery requirement and must still retain the required documentation to support that a purchaser is a Status Indian, Indian band or band-empowered entity (refer to Sections [B](#), [C](#) and [E](#)).

Qualifying vendors are required to notify the Canada Revenue Agency (CRA) of their circumstances and that they wish to operate under the federal remote store provision. A store must have elected to operate as a remote store for GST purposes in order to be recognized as a remote store for PST and VPT purposes. If a store loses, or elects to discontinue, its remote store status for GST purposes, it also loses its remote status for PST and VPT purposes.

K. VAPOUR PRODUCTS TAX

VPT at the rate of 20 per cent applies to all vapour products pursuant to *The Vapour Products Tax Act*. Vendors of vapour products are required to be registered with the Ministry of Finance as a VPT Licensed Vendor in order to collect and remit the VPT.

Effective June 1, 2025, PST at the rate of six per cent applies to vapour products sold. Retailers of vapour products will be required to collect and remit PST on vapour products in addition to the VPT. GST and PST are excluded when calculating the amount of VPT payable.

Sales of vapour products to First Nations individuals and organizations are subject to the VPT and PST in the same manner as the PST on sales of other taxable goods. The exemption criteria and remote store policy for PST also apply to VPT, providing the required supporting documentation is retained by the vendor (refer to Sections [B](#), [C](#), [E](#) and [J](#)).

For additional information, please refer to Information Bulletin [VPT-1, Vapour Products Tax](#).

L. TAX TIPS LINE

When a business or individual does not comply with provincial tax legislation, businesses face unfair competition, and a burden is placed on all taxpayers who do comply. It causes significant loss in the revenue available to fund services such as health, education, and other important government programs.

The Tax Tips Line provides an anonymous, fully confidential way for the public to report businesses or individuals who are participating in tax fraud. If you suspect that a business or individual is being dishonest with their provincial taxes or is misrepresenting their activities to reduce their taxes, you can report them using the Tax Tips Line.

Please visit our website at saskatchewan.ca/business/taxes-licensing-and-reporting/provincial-taxes-policies-and-bulletins/tax-tips-line to find out more regarding types of tax fraud and the information to report, if possible.

The Tax Tips Line is specifically and solely for information related to provincial tax compliance. Any unrelated inquiries or information will not be addressed by the Tax Tips Line, and should be directed to the appropriate organization.

How to Report:

- 1) Toll-free 1-833-334-8477
- 2) Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6
- 3) [Online Form Submission](#)

M. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS (sets.saskatchewan.ca):

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

To receive automatic email notifications when this or any other bulletin is revised, go to sets.saskatchewan.ca/subscribe.

To provide feedback or suggest changes to this bulletin, please complete a [Bulletin Survey](#).

Government website: Saskatchewan.ca