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Report on Taxation and the Tsawwassen Treaty - Follow the Money Who Pays and Who Gets to Keep the Money?

Ottawa—“We have repeatedly been told that after the Tsawwassen Treaty is signed Tsawwassen Band members will finally acquire one of the responsibilities of living in this country that all the rest of us grudgingly accept, the responsibility to pay taxes to our federal and provincial governments to fund the services we receive,” said John Cummins, M.P. (Delta-Richmond East).

“But will they? Will Tsawwassen Band members start paying taxes to fund federal and provincial services like all other Canadians are required to do?”

“According to the Report entitled ‘**Taxation and the Tsawwassen Treaty – Follow the Money: Who Pays and Who Gets to Keep the Money**,’ the answer is no,” Cummins. “Tsawwassen Band members will not start paying taxes to the federal government like the rest of us. Nor was it ever intended that they would do so.”

- When Tsawwassen Band members eventually pay income taxes the money will be paid to the Tsawwassen Band government to fund its activities not to the federal government to pay for federal programs and services all Canadians enjoy including Tsawwassen Band members.
- When “non-citizens” (non-Band members) who reside on the Reserve pay their income taxes the money will go to the Tsawwassen Band government to fund its activities not to the federal government.
- The Band is entitled to the GST paid by Band members and members of the public in respect of goods and services consumed on the Reserve. This makes hotels, restaurants and casinos particularly lucrative for the Band because the goods and services are consumed on the Reserve.
- The GST on goods purchased on the Reserve in retail outlets such as a Wal-Mart or Canadian Tire are considered to be used or consumed off-Reserve. Most but not all of the GST collected for such purchases will stay with the Band government.
- Most of the Band’s tax revenue will come not from Band members but from “non-citizens” living on the Reserve or members of the public who might shop at stores that locate on the Reserve.
- The “non-citizens” who live on the Reserve and pay the lion’s share of taxes will not be able to vote for or against the Band government or have any meaningful say in how their tax dollars are spent.

“This Treaty is not about ensuring that Band members start paying taxes like other Canadians. The Taxation provisions of the Treaty are about the Band government getting its hands on income tax and GST revenue, most of it paid by others. This is a deal that any municipality in Canada would die for and one that Canadian taxpayers will pay for,” Cummins concluded.

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