

Tax Impact Examples
for Individual TFN
Members

Tax - Example 1

- Working off reserve
- Single – no children
- Employment income of \$30,000
- Home assessed at \$100,000
- 1/3 of income spent on taxable goods;
spent equally on/off reserve



Tax - Example 1


<i>Description</i>	<i>Without treaty</i>	<i>After treaty before exemption expires</i>	<i>After treaty after exemption expires</i>	<i>Difference due to treaty</i>
Income Tax	\$ 4,468	\$ 4,468	\$ 4,468	\$ 0
Property Tax	0	0	350	350 *
Sales Tax – purchase on reserve	0	0	650	650
Sales Tax – purchase off reserve	650	650	650	0
Total	\$ 5,118	\$ 5,118	\$ 6,118	\$ 1,000



Our Way Forward

* If TFN decides to offset property tax with a higher homeowners grant, property taxes may be reduced to 0

Tsawwassen Treaty 2007/2008



Tax - Example 2

- On social assistance making no income
- Married – no children
- House valued at \$150,000



Tax - Example 2


<i>Description</i>	<i>Without treaty</i>	<i>After treaty before exemption expires</i>	<i>After treaty after exemption expires</i>	<i>Difference due to treaty</i>
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0
Property Tax	0	0	458	458
Sales Tax – purchase on reserve	0	0	325	325
Sales Tax – purchase off reserve	325	325	325	0
Total	\$ 325	\$ 325	\$1,108	\$783



Our Way Forward

* If TFN decides to offset property tax with a higher homeowners grant, property taxes may be reduced to 0

Tsawwassen Treaty 2007/2008



Tax - Example 3

- Working on reserve
- Income \$20,000/yr
- Single
- No children
- House assessed at \$100,000
- 1/3 of income spent on taxable goods;
spent equally on/off reserve



Tax - Example 3

<i>Description</i>	<i>Without treaty</i>	<i>After treaty before exemption expires</i>	<i>After treaty after exemption expires</i>	<i>Difference due to treaty</i>
Income Tax	\$ (312)	\$ (312)	\$ 1790	\$ 2,102
Property Tax	0	0	350	350
Sales Tax – purchase on reserve	0	0	433	433
Sales Tax – purchase off reserve	433	433	433	0
Total	\$ 121	\$ 121	\$3,006	\$2,885

* If TFN decides to offset property tax with a higher homeowners grant, property taxes may be reduced to 0



Tax - Example 4

- Working on reserve
- Income \$40,000/yr
- Single with 2 kids; assumes \$3000 childcare / child
- House assessed at \$100,000
- 1/3 of income spent on taxable goods; spent equally on/off reserve



Tax - Example 4

<i>Description</i>	<i>Without treaty</i>	<i>After treaty before exemption expires</i>	<i>After treaty after exemption expires</i>	<i>Difference due to treaty</i>
Income Tax	\$ (6,999)	\$ (6,999)	\$ 1,197	\$ 8,196
Property Tax	0	0	350	350 *
Sales Tax – purchase on reserve	0	0	866	866
Sales Tax – purchase off reserve	866	866	866	0
Total	\$(6,133)	\$(6,133)	\$3,279	\$9,412
Net of TFN Child Benefit	\$ (6,133)	\$ (6,133)	\$(3034)	\$3,099

* If TFN decides to offset property tax with a higher homeowners grant, property taxes may be reduced to 0



Tax - Example 5

- Working on reserve
- Income \$40,000/yr
- Married with 3 kids
- House assessed at \$150,000
- 1/3 of income spent on taxable goods;
spent equally on/off reserve



Tax - Example 5

<i>Description</i>	<i>Without treaty</i>	<i>After treaty before exemption expires</i>	<i>After treaty after exemption expires</i>	<i>Difference due to treaty</i>
Income Tax	(10,357)	(10,357)	1,472	11,829
Property Tax	0	0	458	458
Sales Tax – purchase on reserve	0	0	866	866
Sales Tax – purchase off reserve	866	866	866	0
Total	\$(9,491)	\$(9,491)	\$3,662	\$13,153
Net of TFN Child Benefit	\$ (9,491)	\$ (9,491)	\$ (5,969)	\$3,795

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* If TFN decides to offset property tax with a higher homeowners grant, property taxes may be reduced to 0
Our Way Forward

Taxation Treaty 2007/2008

Tax - Example 6

- Working on reserve
- Income \$40,000/yr; 2 income earners at \$20,000 each
- Married with 3 kids
- Childcare costs at \$3,000 / child
- House assessed at \$150,000
- 1/3 of income spent on taxable goods; spent equally on/off reserve



Tax - Example 6

<i>Description</i>	<i>Without treaty</i>	<i>After treaty before exemption expires</i>	<i>After treaty after exemption expires</i>	<i>Difference due to treaty</i>
Income Tax	\$ (10,357)	\$ (10,357)	\$ (5,178)	\$ 5,179
Property Tax	0	0	458	458 *
Sales Tax – purchase on reserve	0	0	866	866
Sales Tax – purchase off reserve	866	866	866	0
Total	\$(9,491)	\$(9,491)	\$(2,988)	\$6,503
Net of TFN Child Benefit	\$ (9,491)	\$ (9,491)	\$(12,346)	\$(2,855)

* If TFN decides to offset property tax with a higher homeowners grant, property taxes may be reduced to 0