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Chiefs of Ontario Bulletin

DATE: June 11, 2010

TO: Leadership, Grand Chiefs, Tribal Councils

FROM: Angus Toulouse, Ontario Regional Chief

RE: **HST TRANSITION PAYMENT CHEQUES ISSUED BY ONTARIO GOVERNMENT**

The Chiefs of Ontario Office is receiving a lot of calls from First Nation citizens about what to do with HST Transition payment cheques. This bulletin is intended to answer some of these questions and clarify concerns that First Nations citizens in Ontario have with respect to Ontario government-issued HST cheques.

What are the Transition Payment Cheques?

As part of the Ontario Government plan to assist Ontarians to transition to the Harmonized Sales Tax (HST), they announced an Ontario Sales Tax Transition Benefit. The stated intent of this benefit is to provide temporary relief to residents of Ontario to help them adjust to the new HST system that comes into effect on July 1, 2010.

The way that the Ontario Government has explained, eligible tax filers aged 18 years and over will receive three tax-free transition payments scheduled for June 10, 2010, December 2010 and June 2011. These payments will either be made via direct deposit, if you receive your income tax refund via direct deposit, otherwise you will receive a cheque. The decision to provide this transition benefit is a unilateral decision of government.

Do These Payments have anything to do with the First Nation Point of Sale Exemption?

These payments are not related to the ongoing discussions between First Nations, Ontario Government, and Federal Government, with respect to efforts to maintain the First Nation point of sale exemption by July 1, 2010. The Chiefs of Ontario Office continues to remain focused on ensuring that the First Nation point of sale exemption is maintained on July 1st when the HST is scheduled to come into effect.

What should First Nation Members do with these Cheques?

It is a personal decision of First Nation members as to what to do with these cheques. Ontario First Nations did not ask for or sanction these payments to our people. Ontario is making these payments to all Ontario residents of their own accord. Please be assured that if you decide to cash these cheques it will not be prejudicial to the First Nation point of sale tax exemption.