



FIRST NATIONS TAX COMMISSION
COMMISSION DE LA FISCALITÉ DES PREMIÈRES NATIONS





What We Do

- Support and protect integrity of tax system
- Facilitate implementation and regulate tax system
- Collaborate and advocate for evolution of local revenue systems
- Capacity building
- Promote transparency
- Support negotiations
- Conduct research
- Collect data and publish statistical information



Where Are We Going

- FACT implementation, support and continued advocacy
- Advocacy for FNRT
- Continue advancing for standup of FNII
- Research and advocacy for FNAA
- Research and advocacy for an Appointment Body
- Ongoing research and policy work
- We are growing
- We have moved

INTRODUCTION TO THE
FACT (Fuel, Alcohol, Cannabis,
Tobacco, and Vaping) Tax

First Nations Tax Administrators Association
Annual National Forum on First Nations Taxation
February 18, 2026

OVERVIEW



- **Background** to the FACT Sales Tax
- **Overview** of FACT Sales Tax Legal & Policy Framework
- **FNTC Proposal** to Support a FACT Sales Tax
- Suggested **Next Steps**

Background to the FACT Sales Tax

Background

Loss of Fiscal Powers

From confederation (1867) until 1927 First Nations collected taxes from members and others to fight land claims and title.

On March 27th, 1927 the Indian Act was amended to prohibit raising money (collecting *taksis*) that could be used to advance legal challenges for title and land claims

"Then the position that we would have to take would be this: that we are simply dependent people. Then we would have to accept from you, just as an act of grace, whatever you saw fit to give us. It has taken us between forty and fifty years to get to where we are to-day. And, perhaps, if we are turned down now, if this Committee see fit to turn down what we are pressing for, it might be another century before a new generation will rise and begin to press this claim." - April 4th, 1927



*Andrew Paul (Squamish) and
Peter Kelly (Haida)*

Background

The Rebirth of *Taksis* and the FNGST

- 1 In early 1990s, Tk'emlúps began collecting tax on fuel and tobacco to pay for a land claim
- 2 This led to the **Fuel, Alcohol and Tobacco Tax** (1998-2005)
- 3 A moratorium was placed on Fuel, Alcohol and Tobacco taxes in 2005, and the First Nations Goods and Services Tax was passed
- 4 **8 First Nations** continue to collect Fuel, Alcohol and Tobacco Taxes
- 5 **32 First Nations** collect the FNGST (½ of these were required to do so as part of a modern treaty agreement)

First Nations Collecting Sales Tax: Implementation Date

First Nation	FNT	FNGST
Tk'emlúps te Secwépemc	1998	-
Westbank First Nation	1999	-
Tla'amin Nation	1999	-
Stz'uminus First Nation	2000	-
Adams Lake Indian Band	2001	-
Tzeachten First Nation	2001	-
Cowichan Tribes	2002	-
Little Shuswap Lake Band	2006	-
Champage and Aishihik	2001	2004
Little Salmon Carmacks	2001	2004
Nacho Nyak Dun	2001	2004
Selkirk	2001	2004
Teslin Tlingit	2001	2004
Tr'ondek Hwech'in	2001	2004
Vuntut Gwitchen	2001	2004
Shuswap	2002	2008
Tlicho Government	-	2005
Tswaout First Nation	-	2006
Nunatsiavut Government	-	2007
The Carcross/Tagish First Nation	-	2007

First Nation	FNT	FNGST
Kluane First Nation	-	2007
Kwanlin Dun First Nation		2007
Ta'an Kwach'an Council		2007
Nisga'a Nation	-	2008
Tsleil-Waututh Nation		2008
?Aquisqnuq	-	2008
St. Mary's	-	2008
Tobacco Plains	-	2008
Lower Kootenay	-	2008
Whitecap Dakota First Nation	-	2009
Buffalo Point	2001	2011
Songhees	-	2011
Nekaneet First Nation	-	2012
Matsqui First Nation	-	2013
Kwaw-kwaw-Apilt First Nation	-	2015
Kahkewistahaw First Nation	-	2015
Déline First Nation	-	2016
Tsawwassen First Nation	-	2017
Cayoose Creek	-	2018
Skowkale First Nation	-	2020

Background Legalizing Cannabis

- 1 Cannabis was legalized in Canada in 2018. Unfortunately, Canada left First Nations out of the cannabis fiscal jurisdiction system
- 2 In 2018, the Chief Commissioner advanced amendments to the federal government to implement First Nations cannabis jurisdiction and warned that if First Nation cannabis jurisdiction was not implemented that there would be significant grey market activity
- 3 Since 2018, the FNTC has been working with proponent First Nations and Finance to carve five optional products out of the current FNGST system: fuel, alcohol, cannabis, tobacco and vaping
- 4 In 2024, Finance advanced a consultative draft for the FACT tax and the FNTC and proponent First Nations advanced three proposed amendments
 - Add casinos (gaming) to ATMs the FACT tax
 - Enable FMA expenditure laws for FACT tax revenues
 - Implement fiscal relationship options to eliminate the revenue sharing thresholds were required to do so as part of a modern treaty agreement)

Background

- November 4th** Budget 2025 announced support for FACT tax legislation and linked the potential for fiscal relationship options
- November 17th** FACT tax enabling legislation was included as part of the Budget Implementation Act
- December 5th** The Chief Commissioner and Finance Canada made follow up presentation to the Senate about the amendments and the FACT tax legislation
- January** The FNTC advanced amendments to the Senate to improve the FACT tax
- Two weeks ago** The Chief Commissioner, Chief Epp and Chief Bluesky made presentations to the Senate about the proposed amendments to FACT tax

It is expected that the FACT tax legislation will pass any day into law and the FNTC and proponent First Nations will continue to work to advance the proposed amendments.

Overview of FACT Sales Tax Legal & Policy Framework

FACT Legal and Policy Framework

- First Nation can tax one, two, three, four or all five FACT products
- This means that a First Nation can choose what combination of FACT products it wishes to tax: fuel, cannabis, alcohol, tobacco and vaping products. For example, a First Nation may choose to tax:
 - Three products: Fuel, cannabis, and alcohol; or
 - One product: Just cannabis.
 - A First Nation does not need to tax all five FACT products.
- The FACT tax will replace the GST on those products taxed by the First Nation

FACT

Legal and Policy Framework

- A FACT sales tax is non-differential; it is charged to everyone equally at the point of sale
- Tax collection agreement required with Finance and CRA
- Finance has proposed a revenue sharing approach
- Role of FNTC to support FACT tax discussion ongoing

FNTC Proposal to Support a FACT Sales Tax





Commitment to Amendments

- FNTC and proponent First Nations will continue to advance amendments to:
 - Add gaming and ATMs
 - Support FMA expenditure laws for FACT revenues and;
 - Eliminate revenue sharing with a tax-based fiscal relationship

Potential Benefits

Of Proposed Fiscal Relationship

1

DEVELOP
communications material

2

SUPPORT community
communications and decision
processes as requested

3

SUPPORT revenue estimates
as requested

4

SUPPORT FACT law and tax
collection agreement
development as requested

5

SUPPORT FACT sales
implementation and
management as requested

6

SUPPORT optional FACT sales
tax expenditure laws if
enabled in FMA

7

SUPPORT FACT sale tax fiscal
relationship proposals from
interested First Nations

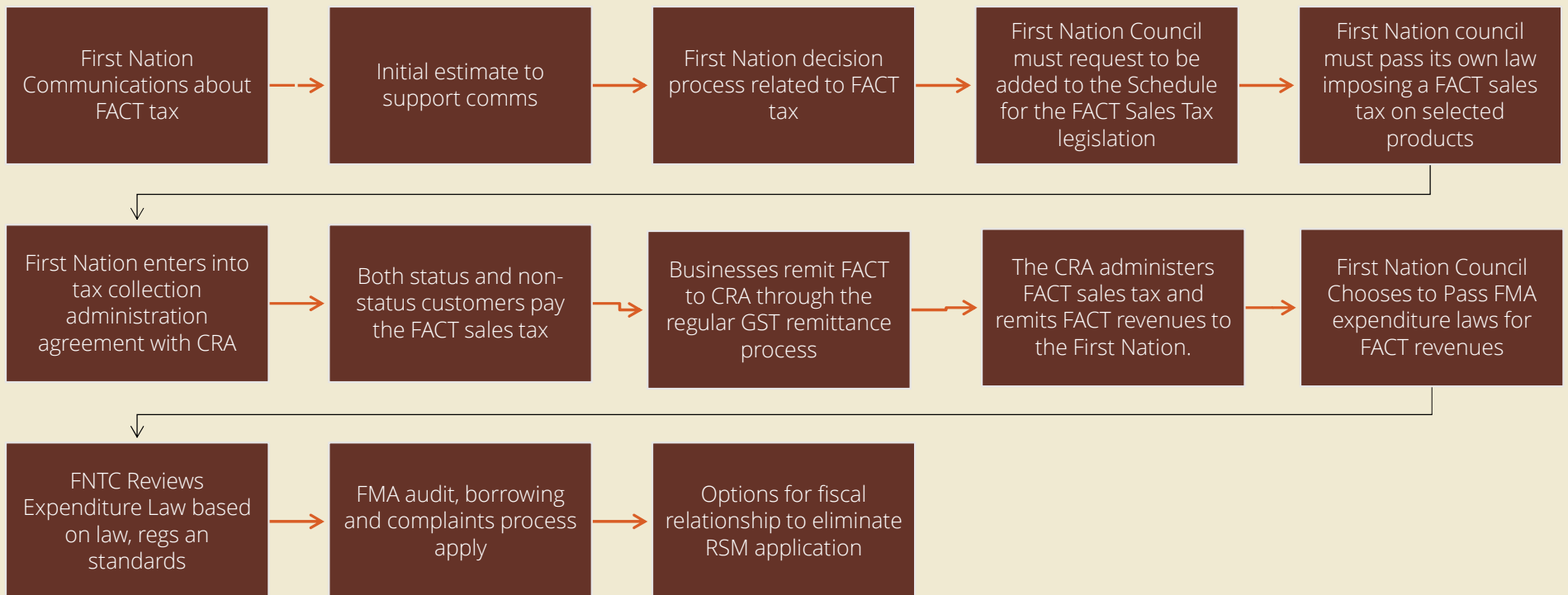
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EXPAND Tulo Centre
curriculum related to the FACT
sale tax

Revenue Sharing & Expenditure Laws

- Finance Canada proposes to share revenues with First Nations because there is no fiscal relationship associated between First Nation FACT (and FNGST) revenues and First Nation jurisdictions
- FNTC is working with proponent First Nations to advance a FACT (FNGST) fiscal relationship to support infrastructure, land acquisition and faster ATRs
- This fiscal relationship would be implemented with FMA expenditure laws and other FMA regulatory elements
- A dollar of tax room is more valuable to First Nations than a dollar of transfers

An Overview of how the FACT Tax (and FNGST) would proceed with FMA expenditure law option



Next Steps



Possible Next Steps

Request a presentation, estimate or both from the FNTC for Council

Request support from FNTC on FACT communications to community

Request support from FNTC on FACT laws (subject to community decision process)

Request support from FNTC on FACT administrative requirements (subject to community decision process)

Support amendments for FACT expansion and expenditure laws

Request presentation on FACT fiscal relationship proposals

Thank You



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