

# Tax and Revenue Administration (TRA)

## AITE

### Information Circular AITE-1R4

### Alberta Indian Tax Exemption (AITE) Program

Last updated: February 28, 2019

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*NOTE: This information circular is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this information circular and governing legislation, the legislation takes precedence.*

The Government of Alberta recognizes that many First Nations people and communities in the province prefer not to describe themselves as Indians and bands. These terms have been used where necessary to reflect their legal meaning in the federal *Indian Act*.

## Alberta Indian Tax Exemption (AITE) Program

This information circular provides an overview of the AITE program.

### Index

- [The AITE program](#)
- [Establishing Eligibility for the AITE](#)
- [Providing the AITE](#)

### The AITE Program

1. Eligible Indian consumers are exempt from Alberta tax and levy on:
  - fuel and tobacco purchased on reserve in Alberta, including fuel delivered to a reserve by a bulk fuel dealer, and
  - accommodation purchased on reserve in Alberta for the use of an eligible consumer.

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Note: for toll-free service in Alberta, call 310-0000, then enter the number.



2. An eligible consumer may be one of the following:
  - an Indian, as defined by the federal *Indian Act*, who is 16 years of age or older,
  - a band, as defined by the federal *Indian Act*, whose reserve is partially or totally located in Alberta, or
  - a band whose office is located in Alberta.

An eligible consumer, as defined above, includes an individual operating an unincorporated business, such as a sole proprietorship. However, an eligible consumer does not include an incorporated business.

3. Federal law prohibits anyone under the age of 18 years from purchasing tobacco, tax-exempt or otherwise.

[Back to Index](#)

## Establishing Eligibility for the AITE

4. A ministerial identification card, i.e., an AITE card, can be obtained by an eligible consumer from TRA by completing an AITE Declaration form (AT4805). See "[Apply for an AITE Card](#)".

A federal identification card, i.e., a status card, is issued by the Government of Canada to eligible consumers under the federal *Indian Act*. Currently, the federal identification card cannot be used to obtain AITE benefits

- under the *Tobacco Tax Act*, or
- under the *Fuel Tax Act* with respect to gasoline, diesel, and propane for motive purposes.

However, the federal identification card may be used to purchase accommodation exempt from tourism levy under the *Tourism Levy Act*, as well as "other fuels" (as defined in [Information Circular CL-OF-3, Other Fuels – Exemptions and Licences](#)) and natural gas exempt from carbon levy under the *Climate Leadership Act*.

5. An eligible consumer must prove eligibility when making a purchase exempt from tax or levy.
  - For purchases of tobacco, an eligible consumer must present the AITE card at the time of purchase. The purchase must be made on reserve from an exempt sale retailer registered with TRA to sell tobacco exempt from tobacco tax.

- For purchases of accommodation, an eligible consumer who is an individual must present either the AITE card or the federal identification card, or an eligible consumer that is a band must present the AITE card, at the time of purchase. The accommodation must be located on reserve and purchased for the use of the eligible consumer from an operator registered with TRA.
  - For purchases of gasoline, diesel, and propane for motive purposes, an eligible consumer must present the AITE card at the time of purchase. The purchase must be either made on reserve from an exempt-sale vendor or delivered to a reserve from a bulk dealer or propane distributor, which must be registered with TRA to sell fuel exempt from fuel tax and carbon levy.
  - For purchases of “other fuels”, including propane used for heating purposes, an eligible consumer who is an individual must present either the AITE card or the federal identification card, or an eligible consumer that is a band must present the AITE card, at the time of purchase. The purchase must be either made on reserve from an exempt-sale vendor, or delivered to a reserve from a bulk dealer or propane distributor, which must be registered with TRA to sell other fuels exempt from carbon levy. For a full listing of the types of fuels the term “other fuels” encompasses, see paragraph 1 of [Information Circular CL-OF-3, Other Fuels – Exemptions and Licences](#).
  - For purchases of natural gas delivered to an address on reserve, an eligible consumer who is an individual must provide the federal identification card, or an eligible consumer that is a band must provide an original certificate, to the natural gas service provider. For more details on purchasing natural gas exempt from carbon levy, see [Information Circular CL-NG-3, Natural Gas \(Heating Purposes\) – Exemptions](#).
6. For more details about the procedures to be followed by eligible consumers, see [Information Circular AITE-2, Exempt Purchases Made by Eligible Consumers](#).

[Back to Index](#)

## Providing the AITE

7. An exempt sale retailer of tobacco must be registered with TRA to sell tobacco exempt from tax to eligible consumers. Similarly, an exempt-sale vendor of fuel must be registered with TRA to sell fuel exempt from fuel tax and carbon levy to eligible consumers. Exempt sale retailers and vendors may be registered under the AITE program only if they are located on a reserve in Alberta or if they are a bulk fuel dealer or a propane distributor that delivers the fuel to a reserve in Alberta.

Each retail location must be registered separately. [Applications for registration](#) are available from TRA.

Alberta tax or carbon levy is included in the cost of the fuel or tobacco the exempt sale retailer or vendor purchases for resale.

After an exempt sale retailer or vendor has provided the exemption to eligible consumers, the exempt sale retailer or vendor may apply to TRA for a refund of the tax or levy that the exempt sale retailer or vendor paid on the products sold to eligible consumers. See [Information Circular AITE-3, Providing Exemptions Under the AITE Program](#), for information on registering, the selling process, and obtaining refunds of tax and carbon levy.

8. Operators of accommodation on reserve should refer to the Tourism Levy Information Circulars issued by TRA for details concerning registering, collecting the levy and providing the AITE to eligible consumers. The process for providing the AITE is set out in [Information Circular TL-1, Overview of the Tourism Levy Act](#).
9. Natural gas service providers providing natural gas services on reserve should refer to [Information Circular CL-NG-3, Natural Gas \(Heating Purposes\) – Exemptions](#) for details concerning the process for providing the carbon levy exemption to eligible consumers.

[Back to Index](#)

## Contact Information and Useful Links

<b>Contact Tax and Revenue Administration (TRA):</b>	Email: <a href="mailto:TRA.Revenue@gov.ab.ca">TRA.Revenue@gov.ab.ca</a>
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