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DOCNUM 2014-0560121E5

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DESCKEY 25

RATEKEY 2

REFDATE 150206

SUBJECT 149(1)(c) exemption & qualified donee registration

SECTION 149(1)(c); 149.1(1)

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Please note that the following document, although believed to be correct at the time of issue, may not represent the current position of the CRA. Prenez note que ce document, bien qu'exact au moment émis, peut ne pas représenter la position actuelle de l'ARC.

PRINCIPAL ISSUES: Whether an organization approved for registration as a qualified donee as a public body performing a function of government by the Charities Directorate requires a separate ruling to claim tax exemption under 149(1)(c).

POSITION: No, unless facts change.

REASONS: It has been determined that the organization is a public body performing a function of government therefore no additional ruling is required.

XXXXXXXXXX

2014-056012

R. Meers

(613) 957-2100

February 6, 2015

Dear XXXXXXXXXX:

Re: 149(1)(c) exemption and qualified donee registration

This is in response to your e-mail dated December 2, 2014, inquiring as to whether your client (the "First Nation") is exempt from tax under Part I of the Income Tax Act (the "Act"). The First Nation had received confirmation from the Charities Directorate that its application for registration as a qualified donee had been approved as the Charities Directorate had determined that the First Nation is a public body performing a function of government in Canada for the purposes of paragraph 149(1)(c) of the Act. You want to know if the First Nation requires a separate ruling from us as to whether it is exempt from tax under Part I of the Act.

Since it has been determined that the First Nation is, and as long as it continues to be, a public body performing a function of government in Canada within the meaning of paragraph 149(1)(c) of the Act, the First Nation will be exempt from tax under Part I of the Act. There is no requirement to obtain a separate ruling from the Income Tax Rulings Directorate. Whether the First Nation continues to be a public body performing a function of government is a question of fact. Should circumstances change and the First Nation wishes to have its status as a public body performing a function of government reviewed, a separate ruling may be requested at that time.

We trust that these comments will be of assistance.

Yours truly,

Roger Filion, CPA, CA

Manager

Non-Profit Organizations and Aboriginal Issues

Business and Employment Division

Income Tax Rulings Directorate

Legislative Policy and Regulatory Affairs Branch