



## **Nunavut Government Proposes to Impose Millions of Taxes on Inuit with Bill 55**

*(November 10, 2020, Iqaluit, Rankin Inlet and Cambridge Bay, Nunavut)* Inuit oppose being liable to pay mining companies' tax and call for the Bill 55 – An Act to Amend the *Property Assessment and Taxation Act* (PATA) to be withdrawn or amended, state the Presidents of Nunavut Tunngavik Inc. (NTI), Qikiqtani Inuit Association (QIA), Kivalliq Inuit Association (KivIA) and Kitikmeot Inuit Association (KitIA).

Bill 55 makes Inuit responsible to pay for mining property tax on subsurface Inuit Owned Lands (IOLs) as far back to April 1, 1999. In the rest of the country, the developer of the lands (e.g., mining companies) are responsible for paying property taxes on improvements.

“The Government of Nunavut (GN) is misguided in its understanding on the benefits of mineral development, particularly grandfathered land leases on IOLs where Inuit inherited the royalty regime from the Government of Canada but would be made responsible for millions of dollars in mining taxes,” said Acting President James Eetoolook.

Inuit Organizations were not properly consulted on the Bill. Although the GN consulted with Inuit Organizations on the initial legislative proposal in the fall of 2018, substantial changes and additions were made. The GN is asking Inuit Organizations to collect the taxes on their behalf and cancel the leases of mining companies when they do not pay the tax, potentially forcing hundreds of Inuit workers into unemployment.

The GN dismissed the “public” nature of Inuit Organizations and IOLs, and refused to follow the precedent set in the NWT for Inuvialuit lands, contradicting the increasing recognition by the Government of Canada, as shown by the recent example of the Inuit-Crown Partnership Committee (ICPC).

“The GN would rather make Inuit pay millions of dollars in taxes owed by mining companies, than collect the taxes themselves from those companies,” said Acting President Eetoolook. “We must ask what the consequences would be for a post-Devolution collaborative relationship between the GN and Inuit Organizations when the GN takes on responsibility for lands and resources in Nunavut.”

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### Backgrounder

The Government of Nunavut (GN) introduced Bill 55 on October 21, 2020, as part of its long awaited efforts to amend PATA to comply with and reflect Article 22 of the *Nunavut Agreement*. Article 22 contains some special rules regarding real property taxation on Inuit Owned Lands (IOLs).

Bill 55 is inadequate because it would treat only surface IOLs on the same basis as Crown lands but not IOLs where Inuit also own subsurface rights.

Other provincial or territorial governments in Canada use a variety of legal tools to collect mining taxes directly from mining companies such as a lien on mining improvements for unpaid taxes. Land owners are not responsible for collecting mining taxes for government or paying these taxes.

The GN's position is based on a false assumption that Inuit are receiving all of the revenue from mining, when in fact Government receives much more revenue through corporate and personal income taxes, GST and other forms of tax on every mining project whether it is on Inuit Owned Lands or not. NTI receives no royalties from grandfathered land leases until all capital costs and operating expenses have been paid off.