

# Business stayed open after tax deal nixed

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only two-thirds of the regular tax rate on sales of cigarettes.

The rebate was supposed to be an allowance for sales to native customers, who have tax immunity under federal law.

Two Quebec government lawyers had warned against such a deal saying the two-thirds figure was arbitrary and too low.

Revenue Quebec documents say Club Rez is one of Kahnawake's two major dealers of tax-free cigarettes to non-natives and it reported that Horne owes \$4.5 million in unpaid taxes.

Revenue Department documents show tax officials received a request for a new registration certificate from Coreen Meloche-Horne one month after her husband's certificate was nixed.

A spokesman for the Revenue Department said officials do not consider whether an applicant is related to someone whose permit had been revoked.

"The ministry could not do anything other than issue the permit," said Richard Lacasse.

The Liberals have called on the government to obtain an injunction to close Club Rez.