

TOURISM GOLDEN
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Hon. Carole James
Minister of Finance and Deputy Premier
PO Box 9048 Stn. Prov. Gov't
Victoria, B.C.
V8W 9E2

RE: Request to rescind Provincial Tax Regulation 78(1)(b)

Dear Ms. James,

As you know, many British Columbians have embraced short-term residential rental companies such as Airbnb and Vacation Rental by Owner (VRBO). While these online platforms have brought visitors and tourism spending to BC, they have also negatively impacted tourism, and other businesses, within the community of Golden and CSRD Area A in many ways:

- The availability of affordable long-term rental accommodations that are crucial to low income families is much diminished, leaving businesses without the employees necessary to operate their businesses to maximum revenue potential, and service levels.
- These agencies, and the majority of the users of these platforms, are not subject to the same regulatory, legal, taxation, health and safety, or insurance laws as traditional accommodation providers, creating an unlevel playing field which impacts all professionally operated short-term rental accommodations, but particularly the small businesses such as B&BS, cabins and cottages that operate between 4 and 10 units, offering similar visitor experiences, but competitively disadvantaged by the collection of PST and MRDT.

Eliminating section 78(1)(b) of BC's Provincial Sales Tax Act (Provincial Sales Tax Exemption and Refund Regulations) will eliminate this exemption and significantly enhance our community's quality of tourism accommodation. Not only will it encourage our local renters to register their business income, but it will also increase voluntary compliance among landlords who risk finding themselves off-side with both local bylaws and the provincial tax code.

We therefore respectfully request that the Provincial Sales Tax Act exemption 78(1)(b) be rescinded.

In making this request on behalf of our accommodation providers, we also recognize the implication for DMOs, and other designated recipients of the Municipal and Regional District Ta, which should also be resolved in conjunction with the change in legislation;

This includes a reduction in, or cap, on total administration fees charged to designed recipients/DMOs (\$20 per property), given that admin expenses could outstrip revenues in many smaller rural destinations with the prospect of added inventory.

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To renew eligibility for the MRDT every five years, designated recipients are currently required to gain written support of 51% of the properties representing 51% of the total accommodation units in their jurisdiction. The exponential increases in applicable eligible collection properties, combined with the reality of multiple absentee owners would make this objective nearly impossible to achieve. The consequences would be dire for DMOs and the current marketing infrastructure. Tourism Golden therefore recommends that the current voting structure (51/51 rooms/properties) be retained and applied to commercial accommodation providers only, and that the administration fee applied per property be either reduced significantly or capped on a community-by-community basis depending on the estimated number of short term rentals.

Yours sincerely,

Rav Soomal
President