



TAX POLICY IMPACTING BOATING-RELATED BUSINESSES, TOURISM AND ECONOMY SAYS BOATING BC

For immediate release
June 10, 2019

Colwood, BC - The Association representing BC's recreational boating industry made a presentation to the Select Standing Committee on Finance and Government Services today, suggesting two Provincial Sales Tax-policies are negatively impacting boating-related businesses – and as a result, tourism and the provincial economy.

BC is home to endless recreational boating opportunities – with 27,000 kilometres of coastline and thousands of lakes and rivers across the province. It is an activity enjoyed by British Columbians, tourists and people who frequent BC on a regular basis.

During a presentation to the Select Standing Committee of the Legislature in Colwood today, Boating BC Association President Don Prittie explained, it is not uncommon for residents of neighbouring provinces or those from out of country to enjoy the experience so much that they decide to purchase a boat in BC, and visit for extended periods to enjoy our waters at their convenience. However, under current provincial tax policy, those consumers are only exempt from PST if the boat is delivered to them in their home of origin, at the expense of the dealer or the broker.

“This is a disincentive to purchasing a boat in BC, especially if the purchaser intends to use it, even some of the time, in BC,” said Prittie. “ We believe it is in the province’s best interest that the purchase of a vessel is a simple and inviting proposition because the net result is a positive contribution to the economies of our coastal and waterfront communities; marinas, restaurants, tour operators, fuel, and retail businesses.”

“Instead, we are creating undue expense and effort on the part of the BC boat retailers, and we are doing the same for the buyer who, upon receiving the boat, is then forced to transport the craft back to British Columbia should they choose to do so. Once the boat is delivered out of province they may or may not return to our province.”

Boating BC Association requested the Committee see the logic in revisiting this policy and creating a mechanism whereby verification of the buyer’s home of origin can be established in a straight-forward manner – and that determines whether the PST applies to the purchase or not.

The second PST policy of concern impacts BC businesses that facilitate repairs or servicing of boats belonging to out-of-province owners.

“Currently, if the repair or servicing of a craft takes place within the province, the boat owner pays PST on parts utilized as part of that process. However, if parts are shipped to the same owner in their out-of-province home, they do not pay PST on those parts,” Prittie explained. “This has the very real effect of out-of-province boat owners choosing whether they wish to defer work so they are not subjected to PST. As a result, our small marine servicing businesses lose out on a servicing opportunity, and local businesses are not benefiting from fuel sales and other related spending that may occur.”

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Boating BC suggested it believes the provincial government has a shared desire to see BC businesses and the economy flourish and is therefore, requested a mechanism to relieve the PST in both of these circumstances to keep our coastal communities strong.

Recreational boating is a key economic driver, employing over 17,000 full time individuals and contributing \$2.2 billion in annual revenue to the provincial economy.

Boating BC Association represents the recreational boating industry across British Columbia and is comprised of more than 300-member businesses. The Association offers counsel on business and governance issues, as well as representing and advocating on behalf of the boating industry to all levels of government.

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