



TOURISM INDUSTRY CONCERNED ABOUT PROPOSED CHANGES TO TAX REGULATION INTRODUCED AS PART OF 2018 BUDGET

Vancouver, February 20, 2018 – The Tourism Industry Association of British Columbia (TIABC) says government’s funding commitment to Destination British Columbia (DBC) will help ensure B.C.’s visitor economy continues on a positive trajectory for the foreseeable future. At the same time, TIABC is concerned about the security of industry marketing funds (MRDT) for city and regional destination marketing organizations in view of proposed changes to the Provincial Sales Tax Act that suggest the funds can now be used to fund affordable housing initiatives.

At present, the Municipal & Regional District Tax (MRDT) funds tourism marketing, programs and projects in dozens of communities. TIABC is seeking clarification on how and where these resources are to be used for the Province’s new affordable housing initiatives.

“MRDT revenues for destination marketing organizations and eligible entities have not only given B.C. communities the resources needed to attract visitors and boost local economies, they’ve also given British Columbia a competitive advantage and led to record-setting results,” said Judas. “We encourage government to tread with caution to strike a funding balance between demand generation and other municipal priorities that have the potential to seriously erode or eliminate that competitive advantage and affect industry performance”.

While a new formula funding model for DBC was not included in the budget, government did provide its lead marketing agency with \$51.5 million (increase of \$500,000) in appropriated funds to continue efforts to attract domestic and international visitors to B.C.

“Funding certainty through a formula-based model for Destination B.C. has been at the top of the list of TIABC’s advocacy efforts for five years,” said CEO Walt Judas. “We will continue to work with government to introduce performance-based, formula funding for DBC and parlay long-term funding security into marketing investments that continue to generate significant revenues for the tourism industry and provincial economy.”

B.C.’s visitor economy consists of some 19,000 businesses that employ over 290,000 people - 127,000 of which service tourists. The sector has enjoyed four straight years of record results for visitation, revenues and other key measures in most regions of the province.

The Tourism Industry Association of B.C. advocates for the interests of British Columbia's \$15+ tourism industry. As a not-for-profit tourism industry association, TIABC works collaboratively with its members - private sector tourism businesses, industry associations and destination marketing organizations - to ensure the best working environment for a competitive tourism industry.

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