

Jordan Sturdy
West Vancouver – Sea to Sky
6392 Bay Street
West Vancouver, British Columbia
V7W 2G9

December 9, 2016

Re: Taxation of Short-Term Residential Units

Dear Jordan,

As British Columbians continue to embrace the sharing economy, short-term residential rental platforms such as Airbnb and Vacation Rental by Owner (VRBO), and Online Travel Agents (OTAs) such as booking.com, are gaining an increasing presence throughout British Columbia. Currently, these companies or “booking agents” do not fall under any of the taxation, health and safety or insurance laws and regulations that traditional accommodation providers are required to follow.

While these online platforms have the potential to be valuable conduits for bringing visitors to British Columbia, there needs to be further management of this emerging sector. Currently, these online commercial transactions are not generating the tax revenue they should.

The size of this segment of the sharing economy has been growing at a rapid pace over last four years. There are some estimated 10,000-plus units, province-wide, that are currently unregulated and not contributing to the B.C. tax base.

Since these transactions are essentially private, there is no accurate estimation on the amount of tax revenue lost. Some conservative estimates suggest more than \$16 million dollars in general PST revenue and upwards of \$3 million in the Municipal and Regional Destination Tax (MRDT) is not being collected in support of tourism across the province. This not only impacts the province but, specifically, those communities that rely on MRDT marketing dollars to help boost their local economies. Therefore, other accommodation providers, retailers, restaurants and bars, transportation providers and other stakeholders of the visitor economy are affected.

At the 2015 Tourism Industry Conference in Vancouver and in conversations with the BC Chamber, Airbnb acknowledges that there should be a regulatory requirement to collect taxes that contribute to the visitor economy and that they are supportive of the efficient collection of tourist and/or hotel taxes in jurisdictions that have such taxes.

For the BC Chamber of Commerce and its network, this is very much an issue of tax fairness among businesses. To ensure a level the playing field for those in the accommodation sector, the Squamish

CHAMBER OF COMMERCE



Chamber of Commerce is asking the provincial government to ensure that the appropriate PST and applicable MRDT be collected and remitted at the point of purchase of room nights on short term residential rentals by removing the four rooms exemption for online platforms and booking agents.

The Chamber asks that you raise this issue with your MLA colleagues at the next meeting of your caucus. Should you have any questions, please don't hesitate to contact Louise Walker at 604 815 4991.

Thank you for attention to this important issue in Squamish.

Sincerely,

A handwritten signature in black ink that reads "Louise Walker". The signature is written in a cursive, flowing style.

Louise Walker
Executive Director, Squamish Chamber of Commerce