



TIANS Statement on Considered Changes to Seasonal Tourist Business Designation

TIANS position on property assessment is:

- Property Assessment of businesses engaged in the Nova Scotia Tourism Industry should be fair and equitable.

TIANS was alerted by Service Nova Scotia and Municipal Affairs of a request from certain municipalities to change to optional, the now mandatory ruling that allows a seasonal tourist business (STB) to pay 75% of the commercial assessment under certain conditions, primarily that the business be closed four months during the fiscal year. This ruling is as per Bill 191, Clause 9 which states that Section 72 of Chapter 18 is amended by:

- adding immediately after subsection (6) the following subsection:

(6A) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on the assessment roll as being occupied by a seasonal tourist business shall be 75% of the commercial tax rate

If a municipality had the opportunity to decide on an optional basis to consider or not consider the above for any qualified STB within their jurisdiction, the result would be an inequitable situation for the tourism industry.

Therefore TIANS is against any move to make this an optional situation for several reasons:

- The reality of the proposal could result in an STB in one jurisdiction charged taxes based on 100% of the commercial assessment and an STB in another jurisdiction charged with taxes based on 75% of the commercial assessment
- At a time when many businesses are presently closed it is difficult to consult with them regarding this proposition. Those who were contacted, both seasonal and year round were against an optional ruling.
- The tourism environment in Nova Scotia for several years has incurred set backs from several outside influences that have reduced margins and market competitiveness. This is not the right time for change in this particular tax rule.
- Any changes should be province-wide and universal



Closing Statement

TIANS welcomes continued discussion and review of the business tax structure in Nova Scotia to create a fair business environment for our tourism operators. We request the opportunity to meet with SNSMA to discuss this and other relevant taxation issues further. We also request that TIANS be kept informed of any progress or decisions made in this matter.

One area of particular concern is the current requirements that penalize our operator's ability to extend their season. TIANS strives to improve growth in the tourism business environment by lengthening the season and tries to encourage off-season business. Therefore sections of Bill 191 have been detrimental to increasing the season. The current incentive for property owners does not provide the flexibility required by our operators to adapt to the changing marketplace. This is a crucial issue we look forward to discussing.