

February 21, 2008



The Honourable William Dooks  
Minister of Tourism, Culture and Heritage  
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[www.tians.org](http://www.tians.org)

Dear Minister Dooks:

It was a pleasure to meet with you on February 15<sup>th</sup> to discuss key issues affecting the business environment for Nova Scotia's tourism industry.

TIANS has been concerned for some time regarding the issue of the constrictive terms under which a business may qualify for the Seasonal Tourist Business (STB) tax incentive.

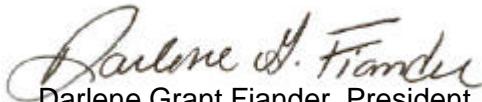
Operators who wish to take advantage of the incentive are required to close for 120 consecutive days, thus preventing them from offering their products and services during holiday weekends or events which could assist them in building their business.

Consideration of a move to closure for 120 non-consecutive days would allow Nova Scotia businesses to enhance their offerings to the public without penalizing them for wishing to open for certain events such as New Year's Eve or Valentine's Day. Additional key business and community benefits are outlined in the attached brief.

TIANS requests the Department of Tourism, Culture and Heritage begin discussions with their colleagues in Service Nova Scotia, Municipal Relations Policy Division to permit a 120 day, non-consecutive closure for Nova Scotia tourism businesses.

On behalf of the Board of Directors of TIANS, we thank you for your attention to this crucial issue which will encourage our Industry to work towards a higher number of competitive year round operations.

Sincerely,

  
Darlene Grant Fiander, President  
TIANS

Enclosure (1)

cc TIANS Board of Directors  
Kelliann Dean, Deputy Minister, Department of Tourism, Culture and Heritage  
Michael Kydd, Ministerial Advisor to Minister of Tourism, Culture and Heritage





## **Seasonal Tourist Business – Taxation Consideration**

### **Background:**

TIANS and its partners have long recommended the benefits of employment and market growth that result from being a year round business enterprise. The Seasonal Tourist Business (STB) designation provides a Municipal Tax advantage through Service Nova Scotia, Municipal Relations. Businesses are rewarded for closing and laying off their employees for a minimum of four consecutive months of the year which is a disincentive to the goal of developing year round markets, increased business and employment.

As well, the four consecutive month ruling precludes a business taking advantage of seasonal opportunities such as group bookings, Valentine's Day, Easter and New Years.

Under this ruling, businesses pay 75% municipal tax for operating 66% of the year. Consideration of a move to a total of 120 non-consecutive day closure would allow a business to create and take advantage of business opportunities and provide needed employment.

### **Request:**

TIANS requests the Department of Tourism, Culture & Heritage begin discussions with their colleagues in Service Nova Scotia, Municipal Relations Policy Division to move toward permitting a 120 day non-consecutive closure for these businesses. This is a potential solution that does not penalize operators who want to extend their business operations.

### **Benefits:**

Benefits to allowing the 120 days of closure for a Seasonal Tourist Business to be non-consecutive include:

- Create longer periods of employment for the Nova Scotia labour force – particularly in rural communities
- Generate tax dollars which would be leveraged in health care and education
- Develop a more consistent and higher quality product for the customer
- Build a competitive year-round, business environment for Nova Scotia tourism operators - providing more opportunity for them to re-invest in their infrastructure, labour and community