

District of Sicamous

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April 7, 2022

Department of Finance Canada
Tax Policy Branch
fin.luxury-luxe.fin@fin.gc.ca

DELIVERED ELECTRONICALLY

Re: Luxury Tax on Recreational Boats

The District of Sicamous is considered the *Houseboat Capital of Canada*, and as such, we strongly object to the implementation of a luxury tax on the sale of recreational boats over \$250,000.

The houseboating industry in Sicamous is comprised of small business owners who provide short-term rentals of houseboats to residents and tourists to explore the Shuswap; tens of thousands visit Sicamous every year bringing their tourist dollars into our community, supporting our small business owners such as our local restaurants and shops.

Our local houseboat companies form part of the fabric of our community, offering local employment opportunities for residents in both tourism and manufacturing trades; these companies are responsible corporations which annually provide financial and in-kind donations to support our community, benefiting local not-for-profit organizations and our elementary and high school students.

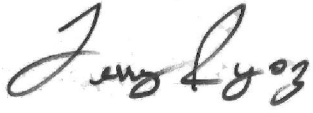
The District opposes the proposed introduction of a tax on the sale of boats over \$250K as it would hinder investment in the houseboat industry which supports local employment and creates substantial economic spinoffs within the community. The average houseboat costs \$750,000 – a luxury tax of 10 percent would add \$75,000 in expense directly to our houseboat operators. Beyond houseboats, other boat rental providers will be limited in their offerings as a result of increased taxation. Operators are required to update their rental fleet and the proposed luxury tax will have significant financial implications for our boating industry.

Following the 2008 Financial Crisis, the houseboat manufacturing industry took a devastating hit and is just now starting to witness interest for custom and fleet manufacturing. It is Council's opinion that the federal government has a responsibility to support the industry which has already been negatively impacted, not cause further disruption and damage.

We respectfully request the federal government to reconsider the intent of this luxury tax and the impact it has on small business. Further, we ask for the federal government's continued support of the boating industry and tourism economy that keeps our community the vibrant and attractive destination that it is.

Regards,

DISTRICT OF SICAMOUS

A handwritten signature in black ink, appearing to read "Terry Rysz", written over a faint, light-colored rectangular stamp.

Terry Rysz, Mayor

cc: MP Mel Arnold
MLA Greg Kylo
Boating BC Association
UBCM Member Municipalities