



MAR 06 2017

356232

His Worship Mayor Ron Oszust
Town of Golden
P.O. Box 350
810 S. 9th Avenue
Golden BC V0A 1H0

Dear Mayor Oszust:

Thank you for your letter of December 21, 2016, addressed to the Honourable Michael de Jong, Q.C., Minister of Finance regarding tax on short term accommodation under the *Provincial Sales Tax Act*. I am pleased to respond on his behalf.

The government is aware of the concerns being raised about the sharing economy generally, and the specific concerns being raised about accommodation. The government has also heard concerns that imposing tax on all short term accommodation, even where a person provides a single unit of accommodation, would impose a significant compliance burden on individuals and small businesses. The government is also working with local governments to determine the appropriate regulatory regime for accommodation provided through the sharing economy.

As you know, the purchase of accommodation from a person who provides, or offers to provide, four or more units of accommodation is subject to provincial sales tax and municipal and regional district tax where applicable. The taxes are payable regardless of whether the accommodation is provided in a hotel, in a bed and breakfast, or in a private residence and regardless of how the accommodation is advertised; whether through an online home rental service, or through another means.

I would like to thank you again for taking the time to write.

Sincerely,

Paul Flanagan
Executive Director
Tax Policy Branch