

## **-MEMBER UPDATE – BULLETIN-**

### **Canadian Camping and RV Council meets with Canada Revenue Agency to address Small Business Tax deduction eligibility for campgrounds**

FOR IMMEDIATE INTERNAL RELEASE - Burlington, Ontario, June 17th, 2016

Directors from the Canadian Camping and RV Council (CCRVC) met with senior representatives from the Canada Revenue Agency in Ottawa yesterday to discuss campground's current classification as a "specified investment business" in the **Income Tax Act**. As we are all aware, recent rulings made by the CRA in Ontario and Quebec has led to widespread uncertainty over a campground's eligibility to claim the small business tax deduction.

CCRVC has previously met with the Ministry of Finance and the Ministry of Small Business and Tourism to outline the current situation, which is having an immediate impact on tourism and businesses and local economies country-wide. Upgrades and enhancements are being put on hold even though campgrounds need to make these improvements to ensure they are competitive with other campground destinations in North America and around the world.

Our message included that campground operators are not saying they don't want to pay taxes, but that they just want to be taxed fairly and treated by the CRA in the same manner as they have been for the past numerous years. During the meeting with CRA, CCRVC recommended solutions included

- 1) CCRVC's support of the submission by the Joint Committee on Taxation submission to the department of Finance dated June 19, 2015 which recommends broadening of the types of income that would be eligible for the small business deduction. We believe that the following amendment, if adopted, would address our issue to the betterment for the majority of our members:
  - ***the definition of "income of the corporation for the year from an active business" should be modified so that it includes income that is derived in whole or in part from property where at least 500 hours of time is spent (by employees of the corporation or by contractors retained by the corporation) on the income-earning process.***
- 2) Establishing industry guidelines, similar to ones that currently exist for a hotel/motel, inn, boarding house, lodging house or any other similar premise to aid in the determination whether a business is an "active business" and therefore eligible for the small business tax deduction based on levels of services, licencing and other fees from the public.
- 3) Update the language on the campground industry in all CRA rules, bulletins and other policy documents to ensure there is consistency and recognition of the differences between campgrounds and other groups (such as mobile home parks, land lease communities, etc.)

We are optimistic that our meeting with the Canada Revenue Agency will be the catalyst to an exchange in ideas and future consultations aiming to resolve the current ambiguity in the **Income Tax Act** to the benefit of all stakeholders and that federal government policy makers will work closely with CCRVC and our member campgrounds in order to find a successful resolution that solves this critical issue.

During the meeting, the CRA representatives committed to discussing our recommendations with the Minister of National Revenue and her staff and will provide an update back to us in the next 2-4 weeks. We will communicate further information to our members at that time.

For more please contact – Shane Devenish at 905 315 3156; [shane.devenish@crva.ca](mailto:shane.devenish@crva.ca)