



TAX REVENUE - SUPPORTING MUNICIPALITIES

The sharing economy provides Ontarians with real opportunities to invest in themselves, become entrepreneurs, and support the growing tourist economy. Prior to the COVID-19 pandemic, Ontario's tourism industry was booming and regular people became a big part of that economic success. While employment in the industry was up 0.6% from October 2018 to October 2019, overall border crossings into the province were up 6.7% in the same period. Moreover, U.S. travel was up 4.3% and international visitors increased by 16.2%.¹ Although the pandemic has put this growth on pause, there is no doubt that tourism will bounce back when the pandemic threat has abated.

With almost 3 million guest arrivals into Ontarians' homes last year, Airbnb hosts are earning extra income to support their families. With many people facing insecurity due to the pandemic, this is more important than ever.

PROPOSAL FOR MUNICIPALITIES

The Municipal Accommodation Tax (MAT) is an opportunity for municipalities to raise much-needed revenue. However, the system doesn't work for a global platform like Airbnb. With 444 municipalities in the province, we cannot enter into hundreds of individual MAT collection agreements.

While we absolutely support paying an accommodation tax and supporting the communities and tourism development of the municipalities where we operate, the current system is cumbersome and isn't working for municipalities or platforms like ours.

Similar systems work well in other provinces:

- In Quebec, we collect and remit the accommodation tax to the province and they distribute it back out to regional tourism organizations from where the tax was collected.
- In British Columbia, we collect and remit the accommodation tax to the province and they transfer those funds to municipalities where the tax was collected.

Join us is calling on the Ontario government to create a province-wide system.

Minister Clark, Municipal Affairs

Minister.mah@ontario.ca

Minister Macleod, Tourism

Minister.MacLeod@ontario.ca

Minister Phillips, Finance

Minister.fin@ontario.ca

¹ <http://www.mtc.gov.on.ca/en/research/performance/performance.shtml>