

Meeting with Glen Armstrong  
Executive Director, Tax Policy Branch  
9 October 2009

Representing the Arts sector: Amir Ali Alibhai, Howard Jang, Mitchell Krieger, Scott Walker

After some preliminary introductions, Glen led off with an explanation of how the HST will work. Essentially, it will be as if the GST were to increase to 12% from 5%. Our admission prices will go up by 7%, but we will be able to deduct any HST we pay out from the amount we remit as an Input Tax Credit.

We then asked about some sort of concession or delay in implementation. It turns out that neither is an option. When the provincial government signed onto the HST it was given a very narrow amount of room to make concessions. Deciding not to apply the tax to fuel essentially took up all of that room [Glen told us the government decided to apply the concession to fuel because it was already applying the carbon tax]. The tax will take effect on July 1<sup>st</sup> and will apply to our sector without concession. Glen pointed out this is now a federal tax and it's up to Ottawa to make the decisions.

Two things did emerge: Ontario is attempting to gain some concessions, such as limiting the tax to theatres of 3,000 seats and more. Should Ottawa agree to that, BC would have a strong case to make for a similar concession.

The other point that we raised was how to handle season ticket sales which will be sold before July 1<sup>st</sup> for performances after that date. Glen said that they were aware of issues such as this and that decisions are being made on how to deal with those items. A decision will be announced shortly.

Glen did say that they would like to hear how this tax will impact the sector, and that the provincial government would have the power to make concessions in other areas to cushion the blow. He suggested that the province could increase the tax credit for charitable donations. A simplification of a regulatory process that we find cumbersome could also be explored. It will be up to us to identify those possibilities.

Glen says that we should identify any areas where concessions could be made as soon as possible. They're aiming to have the plans in place by early December.