



## **BC BUDGET IMPROVES COMPETITIVENESS**

### **Vehicle Sales Tax change provides tax fairness and consumer protection**

**Vancouver, BC, March 2, 2010:** British Columbia's new car dealers are applauding today's budget, calling it a sound and credible fiscal plan based on prudent economic assumptions which will increase the province's competitiveness.

"In this Budget, the government has continued to strike a good balance between supporting important services while working to reduce deficits and return to balanced budgets as quickly soon as possible," said Blair Qualey, president and CEO, New Car Dealers Association of BC. "The Minister has presented a sound and credible plan which also provides a well timed boost to capital spending. The move to implement a Harmonized Sales Tax will save BC businesses billions in extra costs generating new investment and ultimately creating jobs for British Columbians."

The New Car Dealers of British Columbia fully support the government's move, joining both the Atlantic Provinces and Ontario, to provide tax fairness and consumer protection by applying a full 12 percent tax on all private vehicles in British Columbia.

Since the inception of the GST, the retail automobile industry has been at a significant disadvantage in the sale of used vehicles when compared to private sales. Currently, sales tax is collected in an inequitable manner depending on where a vehicle is sold (12% combined PST/GST if purchased at registered businesses like new car dealerships but only 7% PST if sold privately, including sales by unregistered dealer's referred to as "Curbsiders" or "Curbers"). These Curbers are individuals selling vehicles to consumers pretending they are private citizens when in fact they are unregulated dealers. The implementation of the full 12% HST will eliminate these "tax exempt" transactions and provide much better consumer protection.

"We are pleased that the government has been listening to the concerns of consumers and industry and we congratulate the Minister for making this much-needed change to our tax laws," said Qualey. "This adjustment will take away a significant advantage that Curbers have had for far too long. Consumers will no longer be subject to the illegal actions of unregulated Curbers."

The New Car Dealers Association of BC is the provincial industry association that represents more than 360 new car and truck dealers throughout British Columbia. Members of the Association directly employ over 17,000 British Columbians and are responsible for more than \$10 billion of economic activity in the province. The association speaks on behalf of the retail new automotive industry to the public, media, and government, and deals primarily with the legal, environmental, and consumer issues relating to vehicle sales in British Columbia.

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