



Ontario Tax Reinvestment Policy

Background:

Ontario's Tourism industry is a more than \$20 billion industry, which employs over 200,000 people and generates approximately \$2.4 Billion in taxes and fees for the government of Ontario.

Ontario's tourism industry is also an ambassador for the people, lifestyle and economy, of Ontario. The tourism industry also supplies or supports many of the recreational and cultural facilities that are also used by residents of local communities. These facilities are often a significant asset to rural and northern communities in their efforts to recruit doctors, teachers and other professionals.

Ontario's level of reinvestment of tourism tax revenues in support of the industry lags significantly behind other competing jurisdictions. As a result, Ontario's tourism industry has grown much more slowly than the tourism industry in other jurisdictions.

Ontario traditionally budgets significantly less than 10% of the taxes and fees from the tourism industry, for direct support and marketing of Ontario's tourism industry. This lack of support has lead to a gradual deterioration of Ontario's tourism product quality and the employment, economic return and lifestyle values dependant on Ontario's tourism industry.

Policy:

To ensure that tourism meets Ontario's economic, employment and social needs, the Ontario government should re-invest a minimum of 20% of the taxes and fees generated by tourism into direct support and marketing of Ontario's tourism industry.

This reinvestment should be targeted toward:

- Provincial tourism marketing
- Local and regional tourism marketing
- Business investment support
- Critical infrastructure such as transportation and telecommunications
- Information and support programs for all tourism businesses, whether delivered by government or through tourism associations