

Government Bills and Orders
Second Reading

Bill 21
Hotel Room Tax (Tourism Levy)
Amendment Act, 2005

Mr. Rodney: Mr. Speaker, I rise today to move second reading of Bill 21, the Hotel Room Tax (Tourism Levy) Amendment Act, 2005.

This legislation has not been amended since it was introduced in 1987, so there are technical improvements, clarifications, and administrative issues that need to be addressed through this process. There are also changes that will benefit administration of the hotel room tax, tourism levy, and bring it into line with other tax programs that we administer. That said, there are some very key components of this bill that will indirectly but undoubtedly contribute to the strength of our province.

You know, Mr. Speaker, I love this province and its many wonders and natural attractions. We have great beauty here that is beyond compare, and we truly have a lot to offer in Alberta. This bill will provide another way for more people to take advantage of what we have to offer and, in turn, benefit our economy. This is an important bill, particularly to Alberta's tourism industry as it continues to work diligently to strengthen Alberta's position as a great destination for visitors and effectively compete with other regions for guests.

One of the key elements of this bill is that it will be a factor in increasing funding by an estimated 75 per cent for tourism and development in Alberta. Basically, the way it will work is that on April 1, 2005, the bill will change the name of the tax from the hotel room tax to a tourism levy and reduce the rate from 5 per cent to 4 per cent. The revenue that's generated from this levy will be put into the province's general revenue fund, and the proceeds collected from the levy will be used to determine the funding levels for tourism, marketing, and development.

Mr. Speaker, there are some that may feel that the 1 per cent reduction alone may not seem significant to the guests staying one night at a hotel, but if you look at the collective savings based on this year's numbers, it is more than \$11 million. As with most tax reductions, people will choose to spend, or invest, that reduction back into the economy.

Mr. Speaker, there will also be a smooth transition for operators. There will be no substantial change in the process for operators in the province as they will continue to collect the levy from their guests and remit it to the province. One of the key reasons there will be a smooth transition for industry is because of the valuable input from the industry itself. Government has been working with the Alberta Hotel & Lodging Association, with Travel Alberta, and with others in the industry over the past few years for an improved way to benefit both the consumer and operators and for ways to help Alberta compete for tourists with provinces like B.C., Ontario, and Quebec.

In our province's centennial year this bill will help stimulate further travel to our province by lowering the cost of accommodations, and it will provide another avenue for improved funding to promote Alberta in the years to come. I urge all members to give their support to Bill 21, and I thank you, Mr. Speaker.