

Media Release (reissued)

THE CORPORATION OF THE CITY OF VERNON
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FOR IMMEDIATE RELEASE

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3% Hotel Tax to begin on January 1, 2018

The City of Vernon has been informed by the Ministry of Finance that the application to collect a 3% Municipal Regional District Tax (MRDT), also known as a Hotel Tax, has been approved by Cabinet. Currently, accommodators in Vernon collect a 2% MRDT. The change in tax will occur on January 1, 2018 and will be in place until December 31, 2022.

Based on a recommendation from the Tourism Advisory Committee and support from local accommodators, the City of Vernon submitted a 3% MRDT application to Destination BC and the Ministry of Finance in April 2017.

The City of Vernon will receive 2.8% of the 3% MRDT, with the remaining 0.2% going towards the provincial Tourism Events Program. All of the funds generated from the MRDT are used for tourism marketing, programs and projects in accordance with the MRDT Program Requirements. The additional revenue, estimated to be \$300,000 annually, will assist the City of Vernon in its marketing efforts.

According to BC Stats, Vernon has had the fastest growing MRDT in the Thompson Okanagan each and every year since its first full year of collecting in 2011. This strong growth has continued into 2017, with room revenue up 8.3% as of the end of July 2017.

Year	Room Revenue	2% MRDT	Annual Change
2016	\$34.7M	\$693,621.27	12.4%
2015	\$30.8M	\$616,621.27	15.1%
2014	\$26.8M	\$535,756.89	22.2%
2013	\$21.9M	\$438,495.00	7.8%
2012	\$20.3M	\$406,768.75	16.8%
2011	\$17.4M	\$348,157.38	21.3%

The *Provincial Sales Tax Act* was amended in 2015 to increase the maximum available MRDT from 2% to 3%. There are over fifty community in BC collecting the MRDT including fourteen that moved to a 3%. Kelowna and Kamloops began collecting a 3% MRDT on July 1, 2017.

For more information on the Hotel Tax, please contact Kevin Poole at kpoole@vernon.ca or 250-550-3249.