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NEWS RELEASE

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New Harmonized Sales Tax will have a positive impact on BC businesses

Burnaby, BC – The BC Road Builders and Heavy Construction Association (BCRB) recognizes the positive benefits of harmonizing the BC sales tax with the federal goods and services tax for businesses.

“Harmonization eliminates most of the provincial taxes on business inputs generating cash flow that will stimulate business and become a permanent stimulus to the economy,” said BCRB Chair Steve Drummond. “Harmonizing the taxes will cut paperwork and compliance costs to industry making BC companies more competitive. This change will attract investment and create jobs throughout BC.”

“With over \$2 billion in cost savings for businesses, the harmonization of the taxes will have a positive impact on the provincial economy,” explained BCRB President Jack Davidson. “One area we will be working with government on is the proposed delay in the provision of input tax credits “for certain purchases” by businesses with taxable sales over \$10 million. If “certain purchases” includes heavy equipment purchases, this will have a negative impact on equipment dealers who have already been deeply affected by the downturn in the world economy. Many contractors may choose to wait until after the July 1, 2010 effective date before making purchases. This may also delay the renewal of heavy construction equipment fleets which could result in delays in achieving GHG emission reduction goals.”

The BC Road Builders and Heavy Construction Association plans to work with government to ensure the new HST has positive effects for all of its members.

The BC Road Builders and Heavy Construction Association was formed in 1966 and advocates for the development of a balanced, safe transportation system and highways infrastructure that sustains and promotes provincial economic growth. The Association represents more than 240 firms involved in grading, asphalt and concrete manufacturing, paving, utility construction, road and bridge building/maintenance, blasting, as well as related goods and services suppliers.

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