



CANADIAN CAMPING
AND RV COUNCIL
CONSEIL CANADIEN DU
CAMPING ET DU VR

Written Submission for the Pre-Budget Consultations in Advance of the 2023 Budget

Submitted By:

The Canadian Camping and RV Council

The BC Lodging and Campgrounds Association (BCLCA)
The Parks and Campgrounds Owners' Association of Alberta
Manitoba's Association of Private Campgrounds and Parks
Camping In Ontario
Camping Québec
Campground Owners Association of New Brunswick
The Association of Atlantic RV Parks and Campgrounds
The Campground Owners Association of Nova Scotia
Canadian RV Association





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Canadian Camping and RV Council - Recommendations

Recommendation 1:

That the Government provide an exemption, by legislative change or other means, to seasonal businesses such as private campgrounds employing less than five full-time employees year-round and who are unfairly categorized as a “specified investment business” as a result, to make them clearly eligible for the small business tax deduction without the annual subjective judgement by the Canada Revenue Agency.

Recommendation 2:

That the Government recognizes the economic impact and significance of Canadian Private Campgrounds with greater investment, grants, resources and marketing initiatives to facilitate desperately needed expansion of existing facilities and new campground developments to meet increased demand in camping destinations.

Recommendation 3:

That the Government provide funding for electrical infrastructure improvements and enhancements in rural areas throughout Canada so that Private Campgrounds could have the opportunity to add green energy charging stations and assist the Federal Government’s goal of having people drive and charge vehicles where they live, work and play, with a larger available network of EV charging locations across the country.



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About CCRVC

The Canadian Camping and RV Council (CCRVC) is a national not-for-profit Association consisting of members from Provincial Private Campground Owners' Associations, the Recreational Vehicle Dealers Association (RVDA) of Canada and the Canadian Recreational Vehicle Association (CRVA).

CCRVC's mission is to support the Canadian Camping and RV Industry, foster projects to enhance the camping experience for both Canadians and international visitors, work with federal decision makers to ensure a thriving Canadian tourism sector and to serve as Private Campground Owner's Advocacy Voice on a national level. CCRVC is proud to be a member of the Tourism Industry Association of Canada (TIAC).

As part of a \$6.1-billion-dollar RV and Camping Industry, Private Campgrounds in Canada not only make a considerable contribution to our economy but to the health and well being of Canadians. The RV sector also directly and indirectly supported an estimated 67,200 jobs and delivered \$4.8 billion in added economic value to the Canadian economy from an initial expenditure of \$6.2 billion during 2019.

In a survey conducted by the industry in 2018, 22% or 5.8 million of the Canadian adult population indicated that they enjoy camping as a lifestyle and this figure has greatly increased since the COVID-19 pandemic as we saw a boom of Canadians looking for alternative outdoor and recreation activities.

Current landscape and supporting rationale for 2023 Budget Recommendations

Recommendation #1

Despite the robust economic impact figures, owning a Private Campground is generally not considered a lucrative business. With most being family operated, owners must work up to 15 hours a day, 7 days a week during May-October on an average camping season of 152 days for their business to survive.

The current classification of a Private Campground employing less than 5 full-time employees year-round as a Passive "Specified Investment Business" as opposed to an "Active Business" in the *Income Tax Act* makes the business much more financially challenging for the owner who is consistently operating under the threat of a potential 50% Tax Rate as opposed to the small business tax deduction of approximately 15% that other small family run operations would unquestionably qualify for annually.

From the Canada Revenue Agency,

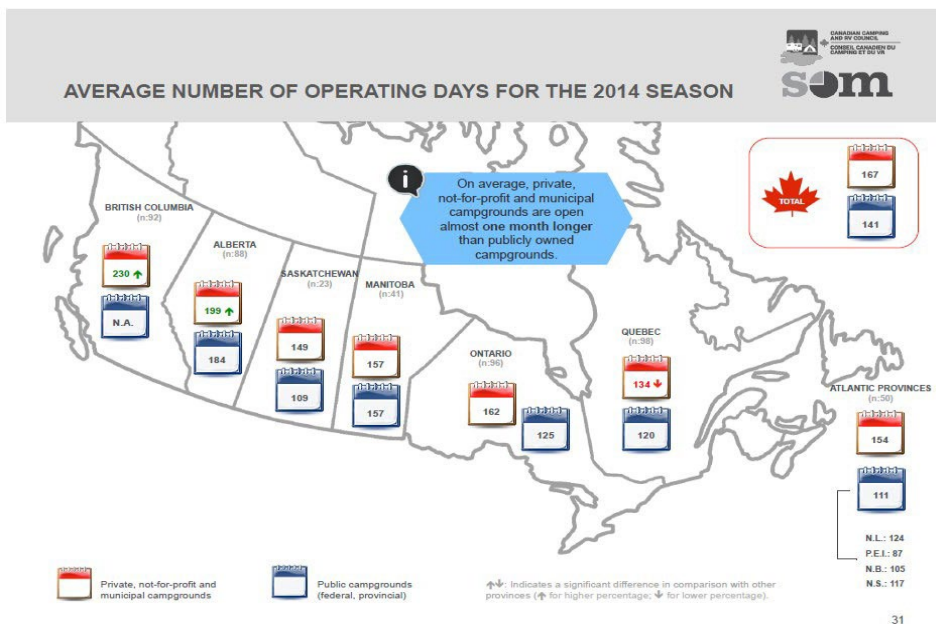
"Generally, the business of a campground involves the renting of property and providing basic services typical to that type of rental operation. In such a situation, the principal purpose of that business would be to earn rental income from real or immovable property and the corporation would not be eligible for the small business deduction, unless it employs more than five full-time employees in that business throughout the year."



Full Release- <http://www.cra-arc.gc.ca/nwsrm/stmnt/2016/st160823-eng.html>

CCRVC estimates that 75%-80% of the 2347 Private Campgrounds in Canada employ less than the **five full-time** employees year-round (even when closed), which classification requires that these owners must prove to the Canada Revenue Agency annually that they have the necessary criteria to qualify for the Small Business Deduction.

It is unreasonable to have Private Campgrounds who operate in Canada on average for less than half the year (**152 days**) employ full time workers during the off season just so that they can exceed the minimal threshold of 5 full time employees year-round and be certain and without question that they would qualify for the Small Business Tax Deduction without the annual CRA adjudication.



Private Campgrounds generally provide several of the services/activities which have been listed as deciding factors in determining if a “specified investment business” is deemed “active” by the CRA from the 2016 Bulletin : including, laundromat, snack bar and/ or restaurant, washroom, showers, swimming pool, beach area, playground, recreation centre, Wi-Fi, propane, organized activities, and many more but in order to qualify for the Small Business Tax Deduction, Private Campgrounds or their Representatives must prove annually that they offer the sufficient number of activities/ amenities required to satisfy the Canada Revenue Agency.

The task to prove to CRA that a Private Campground is an active business is arduous and could be very expensive for the business. As we indicated previously, operating a Private Campground is not very financially lucrative and all expenses need to be monitored closely.



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Summary

Without change by the Federal Government, Private Campgrounds owners across Canada will continue to withhold the hiring of additional part-time employees, pause infrastructure improvements and capital expenditures required to build additional campsites desperately needed given their uncertain annual tax obligation.

Recommendation #2

The importance of Canadian Private Campgrounds has been brought to the forefront since the COVID 19 pandemic when we saw more and more Canadians look towards camping for the first time as a safe and healthy way to get outdoors and vacation responsibly.

Campgrounds offer the opportunity for families to spend time together, to create lifelong memories, and discover Canada's natural landscape and they have never been as important to the well being of Canadians and international travellers as they have demonstrated over the last 3 years.

<https://koa.com/blog/the-benefits-of-camping-why-camping-is-good-for-you/>

During COVID, North American RV Wholesale Shipments surpassed 600,000 units in 2021 and are expected to be just over 500,000 in 2022. Typically, Canadian Shipments are about 10% of the overall total so we saw 60,000 new units in 2021 hit the road while expecting a further 50,000 new RVs in 2022.

Add these new RVs on the road to the nearly 2.4 Million Canadians current RV owners from our last report in conducted 2020 and you clearly see the demand for more camping destinations

The Canadian RV and Camping Industry closely monitors consumers and their RV and camping experiences. We are hearing from them that there are not sufficient camping destinations in Canada and there is a desperate need to facilitate the expansion of existing campgrounds and new developments to meet the increased demand.





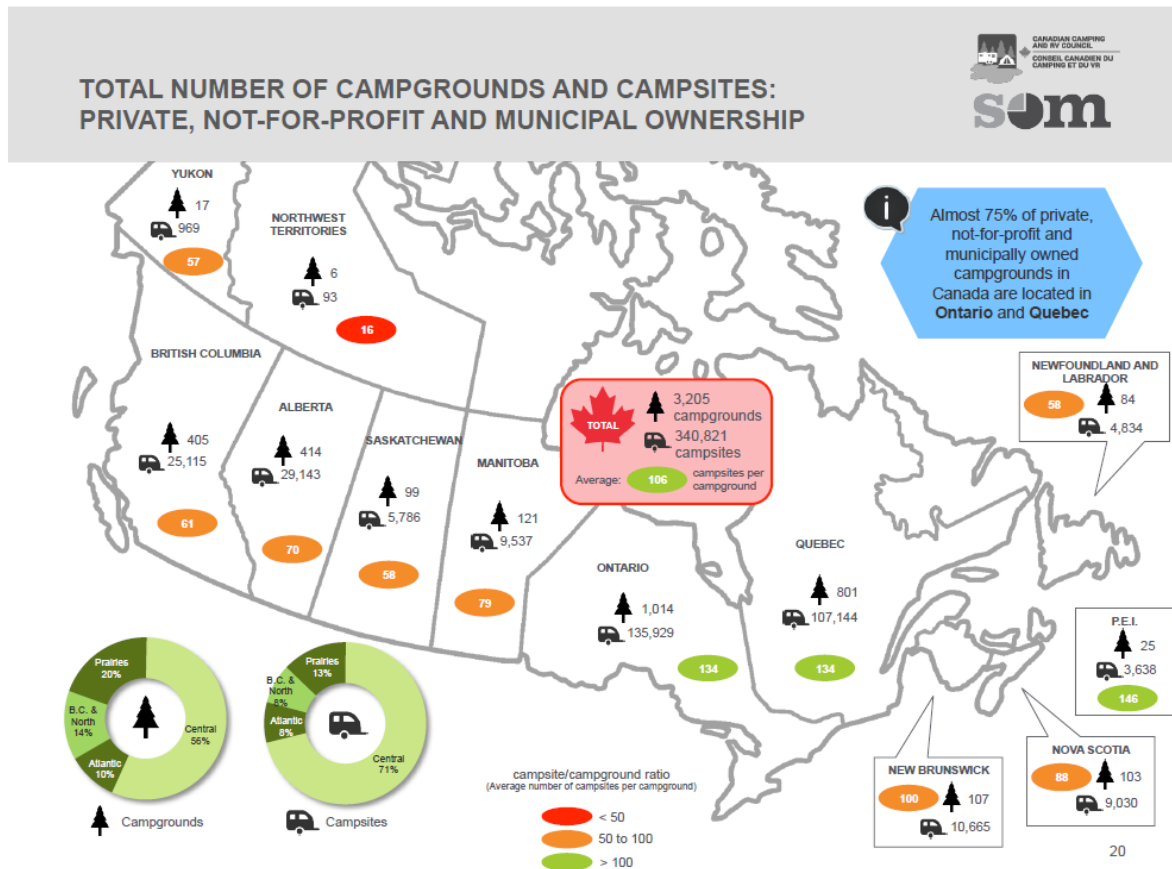
Summary

That the Government recognizes the economic impact and importance of Private Campgrounds with increased investment, grants, resources and marketing to support the desperately needed expansion of existing facilities and new campground developments.

Recommendation #3

We applaud the Government of Canada's funding initiatives to develop a coast-to-coast fast charging network for EVs; to establish natural gas stations along key roads and highways and hydrogen stations in metropolitan centres; and to support the development of new technologies.

In an Economic Study conducted by the Canadian RV and Camping Industry in 2020, it was revealed that approximately 2.1 million (or 14% of) Canadian households own an RV and owners are more than twice as likely as the population in general to own a truck (40% vs. 18%).



What is required – and will work – in a major urban area isn't necessarily going to fit the realities of many remote rural communities. Canadian Private Campgrounds are located throughout Canada in every Province primarily in rural areas where electric vehicle charging stations are expected to be much less available to access.

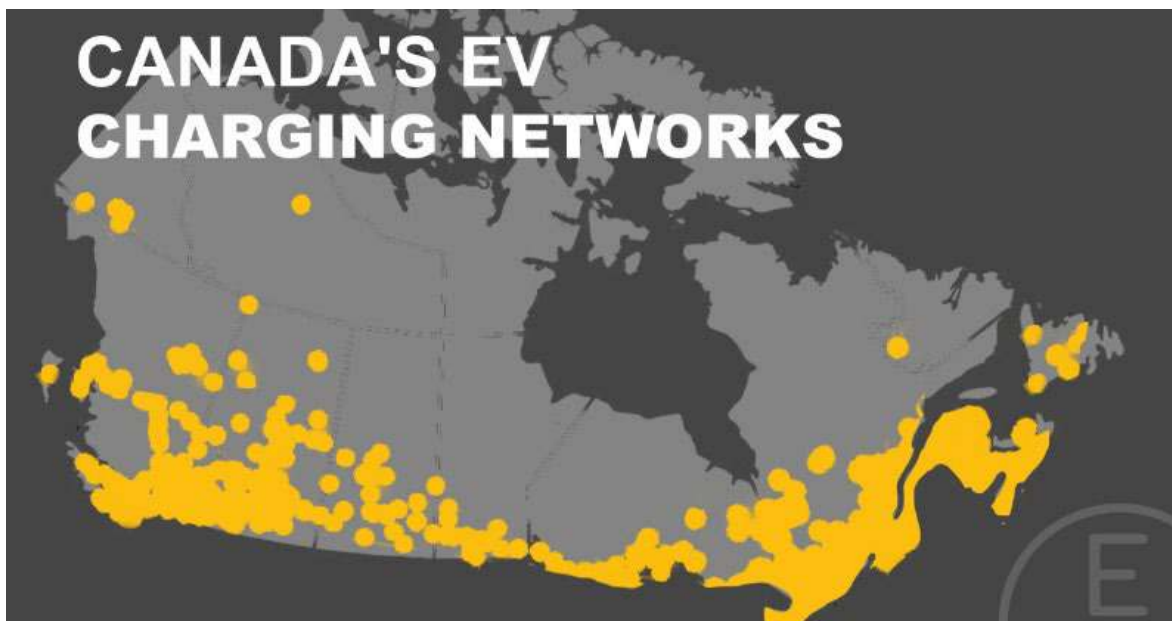


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EV Stations at Private Campgrounds would be cost efficient for the Government because most Campgrounds already have the proper infrastructure but just need the additional electrical capacity in their municipality.

There is considerable investment needed by Government to upgrade electrical grid capabilities before Private Campgrounds in rural areas can develop EV charging stations and be a viable solution to achieve Government of Canada objectives.

EV charging systems at Private Campgrounds throughout Canada in vulnerable areas located outside of the most heavily populated urban regions would assist the alignment of EV and alternative fuel infrastructure and make it easier for drivers to travel in North America using green vehicles.



Summary

CCRVC recommends that the Government work to increase electrical infrastructure in rural areas while providing financing and grants to Private Campgrounds so that people can drive and charge vehicles where they live, work and play across Canada, facilitating increased uptake in the use of EVs.