

## What to do when cyclists get hit with HST

Cycling advocates celebrated when Ontario introduced a retail sales tax exemption for bikes. They celebrated again when the exemption was extended until December 31, 2010.

Now the province has announced that it will adopt a harmonized sales tax (HST), and the fate of this exemption is unclear.

One possibility is that Ontario will begin taxing bikes and related safety equipment in 2010 as planned. In that case, the Bicycle Trade Association of Canada (BTAC) has some suggestions.

“First of all, we need the government of Ontario to clarify its plans,” says Usman Valiante of BTAC. “If the intention is to reinstate full taxation on bikes, Ontario cyclists will want to see that money go to cycling infrastructure and programs.”

Cycling, Valiante points out, is unequivocally the healthiest, cheapest and most environmentally friendly means of transportation available. Ontario stands to reap significant benefits from building a bike-friendly province.

BTAC is calling on the government to allocate provincial tax revenues directly to municipal cycling infrastructure like bike lanes, bike lockers and bike racks on buses. BTAC also favours corporate tax concessions for private sector companies that undertake cycling related capital investments – installing bike lockers and showers, for instance.

“Cycling provides clear and measurable benefits to individuals, the province and the environment,” remarked Valiante. “We need to put money behind facilitating and nurturing a strong bike culture in Ontario.”

Money, however, is not enough – it has to be spent wisely and effectively. A provincial cycling agency would be needed to help allocate money to cycling infrastructure that yield the greatest economic and environmental benefits while coordinating and facilitating a province-wide bike strategy.

Quebec has a well-deserved reputation for being bike-friendly due, in part, to its own cycling agency. Known as Velo Quebec, the organization released a 2006 report revealing that 54% of the province’s population self-identified as cyclists. That amounts to 2.6 million adults and 1 million children.

Quebec is also reaping the benefits of bike tourism. According to Velo Quebec, bike tourists spend an average of \$83 a day as compared to the \$66 a day spent by general tourists.

“It just makes sense for Ontario to promote and support cycling through concerted and well thought-out policies,” concludes Valiante. “There are so many health, economic and environmental benefits to be had – it’s the most economically and environmentally efficient mode of transportation we’ve got.”

### **For more information, please contact:**

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*The Bicycle Trade Association of Canada's mission is to change Canadian culture by positioning cycling as the pre-eminent form of transportation and recreation in Canada. A not-for-profit trade association whose members come from the retail and supplier sectors of Canada's bicycle industry BTAC is the national voice for cycling BTAC actively advocates on critical issues with government at all levels and builds partnerships throughout the cycling community in Canada. BTAC programs include Market Research, Cycling Advocacy, ExpoCycle (Canada's Bike Trade Show) and many cost saving benefits to members ([www.btac.org](http://www.btac.org)).*