
Speaking Notes for

HONOURABLE RICK THORPE
Minister of Small Business and Revenue and
Minister Responsible for Regulatory Reform

**GOVERNMENT CANCELS COSTCO DEMAND
NOTICE**

Friday, February 3, 2006

9:00 a.m.

Check against delivery

-

- GOOD MORNING, THANK YOU FOR JOINING ME
HERE TODAY

- FIRST OF ALL, WHEN I BECAME THE MINISTER
RESPONSIBLE FOR REVENUE IN BRITISH
COLUMBIA...

- MY **FIRST OBJECTIVE** WAS - AND CONTINUES TO
BE - TO ENSURE TAXPAYERS OF BRITISH
COLUMBIA ARE **TREATED FAIRLY**

- AND RECEIVE EXCELLENT **CUSTOMER SERVICE**

- **THROUGH PARTNERSHIPS, WE DEVELOPED
THE TAXPAYER FAIRNESS AND SERVICE CODE**
 - CANADIAN FEDERATION OF INDEPENDENT
BUSINESS,
 - BRITISH COLUMBIA CHAMBER OF COMMERCE,
 - RETAIL MERCHANTS ASSOCIATION OF BRITISH
COLUMBIA,
 - RETAIL COUNCIL OF CANADA,
 - INSTITUTE OF CHARTERED ACCOUNTANTS OF
BRITISH COLUMBIA,
 - SALES TAX PRACTITIONERS LIAISON
COMMITTEE

- THE FIRST THREE PRINCIPALS OF THE TAXPAYER
FAIRNESS AND SERVICE CODE ARE:
 1. THE RIGHT TO **COURTESY AND RESPECT;**

 2. THE RIGHT TO **PRIVACY AND
CONFIDENTIALITY AND**

 3. THE RIGHT TO **FAIR TREATMENT**

- IT IS IN THIS CONTEXT THAT I HAVE CAREFULLY
CONSIDERED THE REVIEW I ASKED MY DEPUTY
MINISTER TO UNDERTAKE ON CROSS-BORDER
SALES TAX AUDIT AND COMPLIANCE
INITIATIVES

PROTECTION OF PERSONAL AND PRIVATE INFORMATION

- GOVERNMENT'S COMMITMENT – MY MINISTRY'S COMMITMENT - IS TO ENSURE WE HAVE THE HIGHEST LEVELS OF PROTECTION FOR PERSONAL AND PRIVATE INFORMATION AT ALL TIMES

- ACCORDINGLY, I HAVE ASKED MY DEPUTY MINISTER TO EXAMINE THE INTERNAL APPROVAL PROCESS FOR THE ISSUING OF DEMAND NOTICES AND I WILL BE SEEKING CHANGES SO THAT THE ACCOUNTABILITY FOR ISSUING DEMAND NOTICES WILL REST WITH THE MINISTER

- THIS IS SIMILAR TO A NUMBER OF OTHER
CANADIAN JURISDICTIONS
 - INCLUDING
 - Alberta,
 - Saskatchewan,
 - Ontario,
 - Quebec,
 - Federal GST

PUBLIC EDUCATION

- THE DEPUTY MINISTER’S REVIEW HAS ALSO RAISED QUESTIONS ABOUT PUBLIC AWARENESS RELATED TO TAX OBLIGATIONS
- MANY BRITISH COLUMBIANS KNOW THAT IF THEY BRING A CAR INTO BRITISH COLUMBIA: SALES TAX WILL APPLY
- HOWEVER – IT APPEARS MANY PEOPLE DO NOT REALIZE PROVINCIAL SALES TAX APPLIES TO OTHER HIGH-VALUE PURCHASES BROUGHT INTO BRITISH COLUMBIA FOR EXAMPLE, ATVS, SEADOOS AND SKIDOOS

- IT IS WITH THIS IN MIND THAT I HAVE ASKED THE
MINISTRY TO IMPLEMENT AN EXPANSION OF
OUR PUBLIC EDUCATION PROGRAMMES TO
ENSURE WE ARE COMMUNICATING EFFECTIVELY
WITH BRITISH COLUMBIANS REGARDING THEIR
TAX OBLIGATIONS

- WE WILL CONTINUE TO WORK WITH SMALL
BUSINESS OPERATORS, RETAILERS, CHAMBERS
OF COMMERCE AND CITIZENS TO IMPLEMENT AN
EFFECTIVE PUBLIC AWARENESS ACTION PLAN

BORDER COMMUNITIES

- OUR GOVERNMENT WILL WORK WITH SMALL BUSINESSES AND OUR BORDER COMMUNITY LEADERS TO ENSURE WE ARE AWARE OF THEIR CONCERNS AND ISSUES AND WE WILL CONTINUE TO WORK TOGETHER WITH THE GOAL OF GROWING LOCAL ECONOMIES IN BRITISH COLUMBIA

- IN THE COMING WEEKS, I WILL BE MEETING WITH COMMUNITY LEADERS ON THESE MATTERS

COSTCO DEMAND NOTICE

- I AGREE WITH THE CONCLUSION IN MY DEPUTY MINISTER'S REPORT...
- WHICH I HAVE CONSIDERED IN THE CONTEXT OF THE PRINCIPLES OF THE TAXPAYER FAIRNESS AND SERVICE CODE
- **ACCORDINGLY, I ASKED MY DEPUTY MINISTER TO IMPLEMENT THE CONCLUSIONS OF HER REPORT**
- **AND TODAY I CAN ADVISE YOU THE DEMAND NOTICE TO COSTCO WAS CANCELLED ON WEDNESDAY, FEBRUARY 1ST**

- MY VIEW IS THE DEMAND NOTICE WAS WIDE REACHING IN ITS REQUEST AND ALTHOUGH ACCEPTABLE BY LAW – IN MY OPINION IT WAS OUTSIDE THE SCOPE OF GOVERNMENT’S INTENTION TO SEEK TARGETED INFORMATION RELATED TO SPECIFIC TAX ADMINISTRATION MATTERS

CONCLUSION

- I LOOK FORWARD TO WORKING WITH BRITISH COLUMBIANS AND MOVING FORWARD IN THE SPIRIT OF COURTESY AND RESPECT, PRIVACY AND CONFIDENTIALITY AND FAIRNESS FOR ALL BRITISH COLUMBIANS
- THANK YOU

END