

Grassroots Advocacy Kit



National Allied Golf Associations



Call to Action

Canada is a golfing country. There are an estimated 6 million Canadian golfers and there are more than 2,500 golf courses and practice ranges in Canada. It is the country's most popular participation sport. There are more golfers in Canada than there are hockey players, and the industry generates more than \$11 billion per year to the Canadian economy.

Unfortunately the golf industry in Canada suffers from an outdated 40-year-old tax policy that singles out the industry in an unfair manner.

Due to a 1971 tax reform, the Canada Revenue Agency does not allow deductions for expenses incurred by business people entertaining clients at golf courses. Canada's 2,500 golf courses, most of whom are small business operators, cannot compete fairly with all the other industries where CRA does support entertaining clients. Over time, the unfairness of this discrimination against the golf industry has become more and more significant.

To Canada's 2,500 golf course operators, who are now facing the most competitive marketplace in our industry's history, this unfair tax legislation is no longer a tolerable disadvantage. The National Allied Golf Associations (NAGA) and its member associations are calling on the federal government to correct this problem and establish tax fairness for Canada's golf industry.

With Parliament adjourned until late January and with the recent placement of a Private Member's Bill entitled, "*An Act to amend the Income Tax Act (golfing expenses)*" being put on the House of Commons agenda, now is the perfect time to meet with your federal Member of Parliament (MP) to discuss the issues that remain with regards to the taxation of the golf industry in Canada. Because this Bill will likely be formally introduced to the House in early Spring, it is essential that you speak to your MP during these break weeks to provide them information on why this issue matters.

This kit contains an overview of the current tax situation and explains the challenge our industry faces. The kit also provides instruction for contacting your MP and a sample letter to send to his or her local office. **Please download and personalize the letter from www.canadagolfs.ca and forward it to your MP. From there, we need your help in meeting with or speaking with your MP.**

The winter break provides the perfect opportunity to meet with legislators at the local level to discuss your business concerns. Politicians are always willing to meet with constituents, and they normally spend much of the month of January in their respective ridings.

If your business is located in a different riding than your home, arrange to meet with both members. By following this link <http://parl.gc.ca/common/index.asp?Language=E> and inserting your business and residential postal codes, you can easily identify and locate the MP or MPs you should be approaching. NAGA is working hard in Ottawa on many fronts to address your concerns, but we need your help.

By working together we can make a difference.

Thank you!



Gary Bernard
2012 NAGA Chair

National Allied Golf Associations

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Regulatory Update

Key Messages

- **We live in a country that loves golf.** There are 6 million golfers and more than 2,500 golf courses and practice ranges throughout Canada. More popular than all other participation sports, golf is indeed the number one recreational activity in Canada, even more popular than hockey.
- During the **70 million rounds of golf played each year**, Canadians get to go outdoors and enjoy one of the simplest, safest and most often recommended forms of exercise – walking, while enjoying their favorite sport with friends, family and business associates.
- The economic impacts of the game are also impressive. The golf industry is present in every Canadian province and territory, and contributes **\$11.3 billion** to the country's Gross Domestic Product each year.
- Directly and indirectly, **golf employs over 340,000 Canadians**, including substantial numbers of youth: over 43% of those employed in golf are students, supporting their financial ability to complete college or university, and providing them valuable work experience.
- Golf is responsible for **\$7.6 billion of household income** in Canada, **\$1.2 billion in property and other indirect taxes**, and **\$1.9 billion in income taxes**.
- Golf is a very important Canadian industry, with gross revenues that are actually more than all skiing facilities, fitness, sports centres, amusement parks and all other recreation industries **combined**.
- Our issue is the serious oversight that businesses in Canada are unable to claim **golf expenses** for client entertainment purposes on their taxes, when virtually all other industries are permitted this important business strategy. Golf is specifically singled out in the Income Tax Act in a highly unfair manner.
- **Due to a 1971 tax reform**, the Canada Revenue Agency does not allow deductions for expenses incurred by business people entertaining clients at golf courses, as per section 18.1.1. This influences business people to avoid golf on the basis of taxation alone. The role of the Income Tax Act includes the principle of fairness, and therefore should not be discriminating against our golf industry in this way, an **unfairness** that we simply cannot sustain any longer.
- In the United States, the IRS does allow for deductions for expenses incurred by business people entertaining clients at golf courses, which only further illustrates the unfairness with Canada's current tax legislation.
- Given that golf is most certainly an effective vehicle for entertaining clients, **Canada's 2,500 golf courses, most of whom are small business operators**, cannot compete fairly with all the other industries where CRA does appreciate the need for entertaining clients.

Our Ask

- NAGA is requesting that the government **amend the Income Tax Act** to allow business people entertaining clients a 50% deduction for greens fees and golf cart rentals, which would then permit fair competition with other hospitality and entertainment industries.

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Contact your Local Politician Today

Enclosed you will find a sample letter for your MP, which is also available online on the NAGA website at www.canadagolfs.ca and each individual association's website. We invite you to personalize this letter to reflect your own situation. **Then print your advocacy letter on your letterhead and mail or fax it to your MP. Don't forget that if your business is in a different political riding than where you live, you should send a letter to the MP for each area.** Your participation and that of your family and friends is crucial to our advocacy efforts.

Please remember that personalized letters have the greatest impact! You should also feel free to involve your colleagues and concerned citizens in the effort to update and educate legislators on the current golf industry tax situation.

NAGA also asks you to follow up with your local MP by requesting a meeting on this issue. We need every NAGA member in Canada to register our collective concerns, because for a politician, a call from a constituent makes a real impact. If your MP is difficult to meet with, insist that you at least talk to him/her by telephone so that you can express your views directly. Note that MPs should be making themselves available to meet with their constituents, so make sure you mention that you are a constituent when you are calling to make the appointment.

Prior to meeting with your local MP, please review the enclosed Meeting Guide to help you prepare. Once you have concluded the meeting, please fill out the enclosed De-briefing Questionnaire. Your feedback will help us to continue our advocacy planning efforts. If you need help finding your local MP, please consult the website below. Simply enter your postal code where prompted, and it will provide you with your MP information. Remember to enter your office and home postal codes, as the MP may be different depending on your locations. The more MPs we meet, the stronger our lobby effort will be! To assist our members in preparing for meetings with their MPs, NAGA will be organizing a number of conference calls or webinars to support these efforts.

You can find your local politician by visiting **www.parl.gc.ca**.
In the Current Parliamentarians section of the main page, use the tool,
'Find your MP using your postal code.'

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Meeting Guide

Having a meeting with your MP provides an opportunity to educate him/her about yourself, your business and your concerns about the regulation of our industry.

1. Most MPs will generally afford you only 15-30 minutes for your meeting, so you should be brief and to the point. If there are two or more individuals at the meeting, you should decide on a principal spokesperson to handle the main points. Don't forget, though, that all individuals should feel free to comment at any time during the meeting.
2. Open your meeting(s) by thanking the MP for having taken the time from his/her busy schedule to meet with you and discuss this important issue. What is most important is to make sure the MP understands that business is being unfairly directed away from golf courses due to an outdated clause in the Income Tax Act.
3. Introduce yourself by giving your name, title and the business you represent.
4. Say a few words about the purpose and aim of your meeting:
 - To promote a better understanding and appreciation of the golf industry and its importance across Canada.
 - To ensure the MP understands the issues surrounding the unfair taxation of golf, as singled out in the Income Tax Act.
 - To ask for the MP's support of the Private Member's Bill correcting this flaw, which is being introduced in the Spring by MP Randall Garrison.
5. Note that you will be providing an update on your meeting to NAGA and its members.
6. Do not hesitate to share personal anecdotes with your MP. They can be very receptive to pieces of information that have a personal touch and in which you may have been directly involved.
7. Pay attention to the time you have been allotted. Your MP will appreciate your understanding that he/she has many commitments that must be kept.
8. Invite your MP to visit your facility. This type of visit will help your MP to better understand the industry in his/her constituency.
9. At the end of the meeting, briefly summarize the key points discussed. Make sure to add that if he/she has any questions, to not hesitate to either personally contact you, or NAGA directly.
10. Complete the De-briefing Questionnaire after the meeting and return it by fax to (613) 230-2669 or email it to NAGA@impactcanada.com.

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Sample Letter

(insert date)

(insert name and address of individual)

Dear (insert MP name):

As a local member of Canada's multi-billion dollar golf industry and the National Allied Golf Associations (NAGA), I am writing you to provide an update on important issues at the federal level with regards to the taxation of our industry.

Canada's golf industry represents more than \$11 billion dollars in economic activity across Canada every single year. NAGA members and their affiliates employ more than 340,000 Canadians in every region of the country. Charitable donations from the industry approach a half billion dollars per year, and the golf industry contributes more than \$3 billion dollars per year in tax revenue to governments across Canada.

However, due to a 1971 tax reform, the Canada Revenue Agency does not allow deductions for expenses incurred by business people entertaining clients at golf courses, as per section 18.1.1. This influences business people to avoid golf on the basis of taxation alone. Golf is singled out in a highly unfair manner in the Income Tax Act in this regard. All other forms of entertaining clients represent allowable deductions under the Act.

As a constituent I would like to request the opportunity to meet with you to discuss this important issue in further detail.

I look forward to the opportunity to meet with you and discuss the importance of the golf industry to Canada's economy, and to the important role your government can play in ensuring its continued success. This will give you the opportunity to meet industry leaders from the seven organizations represented by NAGA, and to discuss with them the vital importance of the Canadian golf industry.

Please feel free to contact me at your convenience.

Sincerely,

(Signature)

(Name and title)

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De-briefing Questionnaire

Your name: _____

Company you represent: _____

Business address: _____

Your email: _____ Your phone number: _____

Name of MP you met with: _____

MP's political party: _____ Date of meeting: _____

1. Was the candidate familiar with the issues affecting the golf industry?

Yes Somewhat No

2. Was the candidate supportive of amending the Income Tax Act?

Yes Somewhat No

General comments and feedback from the meeting

Please fax this form back to (613) 230-2669 or email to cynthia@impactcanada.com

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