



BRITISH COLUMBIA ASSOCIATION OF HEALTHCARE AUXILIARIES

*Enhancing healthcare for British Columbians through volunteerism and community involvement
Under the Distinguished Patronage of The Honourable Judith Guichon, OBC*

August 29, 2014

Honourable Michael de Jong
Minister of Finance,
PO Box 9417,
STN PROV GOVT
Victoria, BC V8W 9V1

Minister de Jong:

ISSUE:

Request for Social Service Tax Exemption for used or donated goods provided by eligible BCAHA charities.

BACKGROUND:

The British Columbia Association of Healthcare Auxiliaries (“BCAHA”) represents more than 80 hospital and healthcare auxiliaries throughout British Columbia. In 2015 BCAHA will celebrate 70 years of dedicated partnership and involvement with our provincial health care system. The volunteer Board of Directors of BCAHA is comprised of a five-member executive committee and eight area representatives who help ensure that our deliberations and decisions reflect all areas of the province. In 2013, BCAHA member auxiliary volunteers donated 1,626,504 volunteer hours to the healthcare environment, adding a significant cadre of friendly faces, compassionate support, and fundraising acumen to the healthcare environment. They also donated over eight million dollars to hospitals and healthcare facilities throughout the province, with most of these funds raised through the operation of thrift shops and gift shops staffed by auxiliary volunteers. These proceeds directly augment the purchase of hospital equipment, capital projects, and patient comfort – funds that would otherwise have to come from the significantly challenged health care budget.

DISCUSSION:

Many of our member auxiliaries have been actively engaged in raising funds for their healthcare facilities for over 100 years. BCAHA member Thrift Shops are staffed by auxiliary volunteers who work hard to raise these funds. Funds raised through their efforts go directly to healthcare, rather than into general operating funds.

Member auxiliaries, as well as many of their customers, express the opinion that it is “double dipping” to charge tax on items that have already been taxed when purchased new. This belief, coupled with the increased time and effort required for accurate record keeping and to maintain up to date information on tax issues, has led our

***BCAHA is a member driven organization dedicated to strengthening
healthcare auxiliaries through education, information & support***

200 – 1333 West Broadway, Vancouver, BC V6H 4C6

tel: 604-714-2392 email: info@bchealthcareaux.org website: www.bchealthcareaux.org



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members to seek a change. At our provincial AGM in April 2014, a motion was passed to once again approach the provincial government for an exemption from the Social Services Tax on items sold in our BCAHA member Thrift Shops.

BCAHA and its member auxiliaries are registered charities, as noted in the following excerpt from the *Social Service Tax Act* established in February of 2008: "An eligible charity is a registered charity as defined under section 248(1) of the *Income Tax Act (Canada)* or a member of the *British Columbia Association of Healthcare Auxiliaries (BCAHA)*." In fact, BCAHA is the organization that motivated the BC Provincial Government to establish a refund of the Provincial sales tax on hospital equipment purchases made by charitable organizations. Substantial additions to the bottom line in donations of equipment to BC hospitals can be attributed to those tax savings.

Petitions for Social Services Tax exemptions have been submitted by this organization, and/or its members in 1984, and many times since, notably in 1988, 2003, 2004, and again in 2012. In 1984 a letter (copy attached) was sent by Peter R. Rygh, Inspector, Social Service Tax to the Delta Hospital Auxiliary. The letter stated that "Thrift Shops which handle only donated merchandise of small value and which use the entire proceeds for charitable purposes are not required to collect Social Service Tax on their sales of this merchandise." We recognize that the Social Service Tax Act has undergone changes since that time, but for many of our members, the question of whether or not they are required to collect the tax on many of the items they sell still stands. In our position as their umbrella organization, we consistently refer any questions in this regard to the government website for the detailed outline on PST exemptions. We submit that the granting of an exemption from PST for supplies of used or donated goods when provided by eligible BCAHA member charities would be consistent with the exemption previously provided under GST/HST.

NEXT STEPS:

We therefore, on behalf of our member auxiliaries, respectfully request that the Provincial Government grant and confirm an exemption of BCAHA member charities from the Social Services Tax on items sold in our BCAHA member Thrift Shops. The BCAHA Executive committee would be happy to meet with you or your representative at your convenience to discuss this request further.

Attachments: [to be listed with numbers/letters]

1. Copy of the 1984 letter from Social Service Tax inspector Peter R. Rygh.
2. Copy of the Official report of Debates of the Legislative Assembly, Wednesday, Mar 3, 2004

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3. Copy of letter from Geoff Plant MLA, November 2, 2004

Sincerely,

Valerie Tribes

Valerie Tribes,

President,

British Columbia Association of Healthcare Auxiliaries

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