

Statement on the Implementation of the “Luxury Tax” and its Economic Impact on the Commercial and Business Aviation Sector in Canada

Ottawa, ON July 19, 2022

The recent announcement by the Government of Canada to move forward on the implementation of the so called “luxury tax” for September 1st, 2022 is of great concern for Canada’s beleaguered aviation sector and its employees. It will have serious implications for business aviation in particular, at a time when the drivers of our economic recovery and growth are facing challenges that are without precedent in a generation.

As Canada's voice for business aviation, who represent more than 400 companies and organizations across the country, we have been an advocate for evidence-based policy decision making to ensure the health and safety of all travellers that depend on a robust aviation infrastructure. We have also been appreciative of the stimulus measures the government implemented to support our manufacturers, and indeed all stakeholders within our sector.

However, as a report from the Parliamentary Budget Office affirmed, and subsequently a motion with unanimous consent in parliamentary committee implicitly supported, the economic impact of the luxury tax will be significant and have not been studied with a comprehensive understanding of our industry. Issues remain and crucially, we have lost faith in the constructive dialogue with government on decisions of vital importance to our members.

We urge this government to return to the table and, at the very least, consult with our sector on reasonable timelines for tax policy changes that should not be punitive but indeed supportive for all Canadians.



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