



June 13, 2024

Dear Sirs and Madam

RE: Municipal Accommodation Tax

It has been brought to our attention that the Newmarket Town Council is looking at implementing an Accommodation Tax. We would like to continue to voice our concerns regarding the implementation of this tax and that we do not support it. Letters were sent to the City council back in February of 2020 expressing our concerns and they still remain the same.

We are extremely concerned of the repercussion that will occur to ourselves the Comfort Inn and the Best Western. Implementing this new tax will shift the current Newmarket accommodation business out of our town and community to our neighboring cities. Currently all the municipalities that surround Newmarket do not have this tax and this will put our businesses at a significant disadvantage to attract business to the town of Newmarket. Bookers will shift their business out of town to surrounding municipalities to avoid this unwarranted tax.

The Municipal Accommodation tax was developed for cities and towns to support the tourism industry in the city. We can confidently say that most guests staying at our hotels are not tourists and the town will not support significant tourism in the future. Guests that stay at our locations are coming for many of our local businesses, medical treatments at our local hospitals, private events and sporting tournaments. Applying Municipal Accommodation tax will cause additional hardship on local businesses and families that are already seeing tough times with the cost of inflation. This additional tax will become a major deterrent. Where and what would these additional funds being collected be spent on, that would benefit the accommodation sector in Newmarket. Our town is not a tourism destination and it very unlikely that it will become one given our proximity to other major tourist cities.

Now with the additional hotels opened in Aurora, namely the Holiday Inn Express and the Microtel, we have seen an increase in supply of 94% in hotel room supply. Implementing the new tax in our town, especially at a time when our hotels must deal with a large increase in competition, from the new hotels as well as over 170 unregulated and untaxed Airbnb operators, it will make the business situation even more challenging.

In summary, the implementation of a MAT tax would not be beneficial to the accommodation sector in Newmarket. Since the hotels will be generating the funding for the MAT, it is important that this tax would create opportunities. We do not see this as an opportunity to create tourism in our market but instead it would add additional cost increases to local businesses and increase in costs for guests travelling to the area for medical reason and sporting events.

We ask that the Newmarket Town Council to strike the consideration of a Municipal Accommodation Tax from its plans.

Comfort Inn Newmarket

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Please feel free to contact me if you have any questions about the issues discussed above

Yours in Hospitality

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