

Dear Sirs & Madams:

Thank you for inviting me as a small business owner to submit my thoughts on the development of the 2015 budget.

We own a hobby store here in Kamloops, B.C. but the issues we face are not unique to the hobby business. I have a friend who owns a small electronics store, and a son who owns a sports shop, and their issues are the same as mine.

Small businesses such as ours are closing at an alarming rate. For example there used to be hobby stores in Kelowna, Salmon Arm, Williams Lake, Quesnel, etc. Today I am the only one left in the interior. There were several on Vancouver Island, now there is one. There were six plus in greater Vancouver, now there is one.

It is not that interest in hobbies is dying, far from it. As baby boomers retire more and more are looking at hobbies to occupy their time. And youngsters with parental encouragement are embracing hobbies as opposed to spending too much time on computer games. Our biggest competition is the on line or 'basement' dealer, who pricewise can undercut brick and mortar shops as they operate virtually unregulated. And this is where I feel government at all levels needs to develop regulations.

On line sellers for the most part do not have business licenses. They do not collect or submit provincial sales tax or GST. They operate out of their homes so do not have normal store overhead such as rents, utilities, etc. Both federal and provincial governments are loosing sales tax on these people, yet we have our own Canada Post with TV commercials promoting themselves as your on line delivery service.

On line buying is here, we realize that, but it needs to be regulated so the playing field for all businesses can be level. On line or basement sellers should have to be licensed and collect tax just like I do. I cannot blame the consumer, they are not going to pay my price if they can get the same items cheaper and tax free. In all honesty what keeps me going as a store is the simple fact that some customers still like to come in and physically examine an item before purchasing it, albeit some come into my store, look at the item, then go home and shop on line. And there are those who simply believe in supporting their local store.

There are some manufacturers and wholesalers who will not sell products to anyone except a legitimate brick & mortar store, but they are few. Most will sell to whoever has the money.

The facts speak for themselves. The number of stores that have closed in the past few years across the US and Canada is staggering, and as noted its not just the hobby business. The only place I know personally who has regulations in place for licensing and tax collecting for all sellers, be it on line, in a shop, or at a trade show is the state of California.

In summary if you don't want to see more tax revenue lost and more small businesses going under I submit this is an area that needs to be controlled.

Again thanks for an opportunity to speak out.

Brian Kelly
owner Kelly's Kaboose, the Railway Store