TOURISM INDUSTRY ASSOCIATION ALBERTA

LEVELLING THE PLAYING FIELD:

Positioning Canada's Western Ski Areas on a Competitive Footing with the U.S.

"The mountains are the beginning and the end of all natural scenery."

~ John Ruskin

TABLE OF CONTENTS

This report was a collaborative effort of the Tourism Industry Association of Alberta (TIAA), the Tourism Industry Association of British Columbia (TIABC), and the Canada West Ski Areas Association (CWSAA).

Motivated by a shared interest to strengthen Canada's tourism competitiveness, the partners commissioned this analysis to inform an evidence-based tax policy that better aligns Canada's investment environment with the evolving competitive conditions found in the United States.

Through this collaboration, the funding partners have recommended tax policy adjustments that will better support the long-term growth of Canada's ski sector, while also promoting a more competitive and resilient visitor economy.

Prepared for:
Tourism Industry Association of Alberta (TIAA)
Tourism Industry Association of British Columbia (TIABC)
Canada West Ski Areas Association (CWSAA)

Prepared by: Ben Brunnen, Principal & Founder Verum Consulting

EXECUTIVE SUMMARY

The United States' One, Big, Beautiful Bill Act (OBBBA) has permanently restored 100% bonus depreciation for a wide range of tangible property investments. For ski areas the OBBBA applies to tangible property (e.g. chair lifts, equipment, furniture, vehicles) and improvements (e.g. accommodation renovations) with a recovery period of 20 years or less. Canadian companies are at a disadvantage relative to their U.S counterparts and have been for some time. Ski area assets are currently depreciated at rates between 20% to 45% through capital cost allowances (CCAs) and the temporary accelerated investment incentive (AII).

As a result, U.S. ski areas are investing heavily in capital improvements, with 2024/25 being the third consecutive year of elevated capital investment. To stem the eroding competitive realities facing Canada's ski industry, this report estimates the economic value and incremental investment in western Canadian ski areas that would occur if the Government of Canada adopted OBBBA equivalent accelerated capital cost allowances (ACCAs) for the sector. This report also quantifies the broader economic impacts to the Canadian economy as a result.

The Importance of Accelerated Capital Cost Allowances (ACCAs)
ACCAs allow companies to write off the cost of capital more quickly, derisking projects, deferring tax obligations and increasing the present value of their investments and their corresponding rates of return. ACCAs boost short to medium term investment by encouraging companies to accelerate their current investment plans and drive incremental investments because of the improved cashflows on their projects. The improved cashflow reduces the cost of capital which helps generate additional investment relative to the status quo. Crucially, the ACCA does not change the total taxes collected by government, rather the timing of when the taxes are paid.

Investment Impacts of Ski Area OBBBA Equivalence
Based on the results of a recent ski area survey, respondents indicated they plan to invest $822 million over the next 5 years, with an additional $159 million if the equivalent of the OBBBA treatment were provide. This would equate to a 19% increase in capital spending.

- Based on this spending profile, applying OBBBA depreciation schedules for planned capex generates a NPV uplift of $21 million, while the NPV uplift for incremental capex is $19 million – for a total benefit of $40 million.
- Because the ski area incremental capex spend is valued at $72 million (NPV) under the current framework, the net investment generated over and above the OBBBA benefits is $32 million ($72M-$40M).
- Effectively, if the federal government were to adopt OBBBA equivalent ACCA provisions, the industry would invest ~2 times the value of the tax benefits.

Economic Impacts of Ski Area OBBBA Equivalence
Beyond the investment impacts are the wider economic impacts associated with the incremental industry investment.

- The incremental five-year investment of $159 million associated with the OBBBA tax treatment would generate a total of $627 million in new visitor spending, creating $571 million in GDP, $96 million in taxes and 6,600 jobs.
- If the entire western Canada ski industry adopted an incremental spending profile reflective of the sample survey results, the associated economic impacts would be substantially more significant - $567 million in investment, $2.2 billion in visitor spending, $2 billion in GDP, $342 million in tax revenues and 23,500 jobs, over five years.

1 INTRODUCTION
THE ONE, BIG, BEAUTIFUL BILL ACT

The United States' One, Big, Beautiful Bill Act (OBBBA) has permanently restored 100% bonus depreciation for a wide range of tangible property investments, including machinery, equipment, vehicles, and qualified improvement property. [1,2,3] OBBBA significantly improves investment economics by providing permanent tax reductions and cashflow improvements for companies over the long term.

For ski areas the OBBBA applies to tangible property (e.g. chair lifts, equipment, furniture, vehicles) and improvements (e.g. accommodation renovations) with a recovery period of 20 years or less.

As a function of OBBBA coming into effect, Canadian ski areas are at a clear comparative disadvantage relative to their U.S counterparts; and had been for some time. Ski area assets are currently depreciated at rates between 20% to 30% through capital cost allowances (CCAs), [4,5] although the recently renewed Accelerated Investment Incentive (AII) enriches these CCAs by removing the half year rule for new property in year 1 and increasing the depreciation rates of the classes by up to 1.5 times the standard rate. [6,7] While the AII substantively improves the economics of ski area investments in Canada, the deductibility rates are far less competitive than those in the U.S. and the program is set to expire by 2033. This approach contrasts with Canada's manufacturing industry, which receives 100% immediate expensing in response to the OBBBA.[8]

Unfortunately, this all contributes to Canada's declining ability to attract capital and bolster productivity-enhancing investments within the ski sector and the tourism industry more broadly. Provincial governments have set ambitious goals to grow their tourism industries, [9,10,11] but barriers such as uncompetitive capital deductibility constraints hinder government growth goals for tourism.

This report estimates the economic value and incremental investment in western Canadian ski areas that would occur if the Government of Canada adopted OBBBA equivalent accelerated capital cost allowances (ACCAs) for the sector. This report further quantifies the broader economic impacts to the Canadian economy as a result.*

**As the challenges are system wide and difficult to assess broadly in the project timeframe, the ski industry was the chosen sector for study. The study is illustrative of the broader blocked capital flows within Canada's tourism industry that must be addressed for the government of Canada to achieve its stated federal tourism growth goals.*

2 THE IMPORTANCE OF ACCELERATED CAPITAL COST ALLOWANCES

ACCAs are an impactful tool from a cashflow and investment perspective. The ACCA allows companies to write off the cost of capital at an accelerated pace, deferring tax obligations and increasing the present value of their investments and their corresponding rates of return.

The ACCA boosts short to medium term investment by encouraging companies to accelerate their current investment plans and drives incremental investments because of the improved cashflows on their projects. The improved cashflow reduces the cost of capital which helps generate additional investment relative to the status quo.

While technically the ACCA does not change the total taxes collected by government, it does change the timing of when the taxes are paid.

The U.S. OBBBA provides a powerful and permanent tax incentive that comparatively disadvantages Canadian ski areas in terms of their ability to attract capital – and the investment results are compelling. In the U.S. ski areas are "investing heavily in capital improvements...the 2024/25 fiscal year marked a third consecutive season of elevated capital investment, with reported expenditures totaling $624.4 [U.S.] million."[12]

Levelling the playing field with the U.S. is not only critical to improving Canada's ability to compete for investment capital, but also to stimulating investment in a strategic and sustainably-positioned export sector at a time of stagnant economic growth in our own country.

2 THE IMPORTANCE OF ACCELERATED CAPITAL COST ALLOWANCES

The imposition of US tariffs has reduced Canadian business investment and exports, led to slower wage and employment growth, higher unemployment and reduced foreign investment in Canada.[13] According to the Bank of Canada in its June 2026 interest rate decision:

> The conflict in the Middle East is now in its fourth month. The resulting increases in energy prices and disruptions in global supply chains are weighing on global economic growth and pushing up inflation. At the same time, the US administration continues to propose new tariffs and trade policy uncertainty remains elevated.
>
> In Canada, GDP edged down by 0.1% in the first quarter, weaker than expected at the time of the April MPR...Housing activity also declined and business investment remained weak...employment in Canada is little changed since the start of the year.[14]

The result is a diminished economic outlook for the country and significant uncertainty for the future of the Canadian economy.

At a more strategic level, Canada is seeking to double overseas exports over a decade through its Trade Diversification Strategy.[15] However, it has not prioritized the tourism industry as part of this strategy, despite the sector's role as a national brand builder, strategic export commodity, driver of economic growth and instrument for trade diversification.[16] In 2024 "international visitors injected $31.2 billion of new export dollars into Canada, making tourism the second-largest service export."[17] The achievement of thisvaunted economic position begs a much more strategic response by government to encourage further growth.

3 INVESTMENT IMPACTS OF SKI AREA OBBBA EQUIVALENCE

To quantify the investment impacts of differing capital cost allowances, Verum Consulting conducted a survey of members of the Canada West Ski Area Association. The survey sought to understand the current capital spending plans of the industry, as well as how these plans would change in the event Canada adopted comparable capital cost allowance schedules as the U.S.

The survey was completed by 9 large sized ski areas (over 150,000 skier visits annually) and one mid-sized ski area (between 85,000 and 150,000 skier visits annually) in Alberta and British Columbia between May 28 and June 16th, 2026. These ski areas represent a significant proportion of industry economic activity in Western Canada and likely serve as a proxy for the ski sector as a whole. The results are presented in Table 1 below.

Based on the results of the survey, respondents indicated they plan to spend $822 million over the next 5 years, with an additional $159 million if the equivalent of the OBBBA treatment were provided.* This equates to a 19% increase in capital spending. To accurately quantify the benefits of the OBBBA changes and how they influence investment decision-making, Verum Consulting incorporated the capital spending scenarios into a discounted cash-flow net present value (NPV) analysis. Key parameters include:

- Applied a 12% discount rate (i.e. weighted average cost of capital);
- Assumed 20% of spending was for sustaining capital amortized over 2026-2040;
- Amortized the planned and incremental growth capital over the initial 5 years;
- The tax rate paid by companies is a 60/40 blend of Alberta/federal (23%) and BC/federal (27%) combined tax rates to reflect the distribution of the capital across provinces (24.6%).

The model utilizes the deductibility rates and program parameters listed in Table 2 below. Because buildings and employee housing do not substantially benefit under U.S. OBBBA relative to Canadian CCA rates these spending areas were excluded from the analysis.

TABLE 1: FIVE-YEAR CURRENT AND INCREMENTAL SKI AREA CAPITAL SPENDING PLANS, $MILLIONS

	Ski Lifts	Buildings & Structures	Snow-Making Equipment	Interior Improvement	Restaurant Equipment & Furniture	Employee Housing	Vehicles (Including Groomers)	TOTAL
Planned Investment	$291	$169	$93	$58	$68	$88	$56	$822
Incremental OBBBA Investment	$65	$23	$12	$11	$11	$21	$16	$159
Total 5-year Investment	$356	$191	$105	$69	$79	$110	$72	$981
% Increase	22 %	13 %	13 %	19 %	17 %	24 %	28 %	19%

**Not all ski areas anticipated an increase in spending due to the OBBBA, depending on their corporate finance policies and/or tax status.*

3 INVESTMENT IMPACTS OF **SKI AREA OBBBA EQUIVALENCE**

TABLE 2: CANADA AND U.S. CAPITAL COST ALLOWANCE RATES FOR SKI AREA MAJOR SPENDING CATEGORIES

	Current Treatment in Canada			US OBBBA Permanent Treatment
	CCA Class	CCA Rate	Accelerated Investment Incentive (expires in 2023)	
Lifts	8	20%	1.5 times the original year 1 schedule. Suspends the half year rule.	100% in year 1
Buildings	1	4%	NA	2.56% annually
Restaurant Equipment & Furniture	8	20%	1.5 times the original year 1 schedule. Suspends the half year rule.	100% in year 1
Snowmaking	8	20%	1.5 times the original year 1 schedule. Suspends the half year rule.	100% in year 1
Employee Housing	1	4%	Purpose built rental incentive increases to 10% Suspends the half year rule.	2.56% annually
Vehicles	10	30%	1.5 times the original year 1 schedule. Suspends the half year rule.	100% in year 1
Interior Improvements	13	Max 20%	1.5 times the original year 1 schedule. Suspends the half year rule.	100% in year 1

**Government of Canada, US OBBBA, Ski Area Companies*

3 INVESTMENT IMPACTS OF SKI AREA OBBBA EQUIVALENCE

There are two influences affecting the OBBBA NPV benefits to the industry. The first is the increased cashflow benefits associated with planned capital spending. Based on this spending profile, adopting OBBBA depreciation schedules for planned capex spending generates a NPV uplift of $21 million (Table 3). Second are the NPV benefits of the incremental capex spending, which are estimated at $19 million. The total NPV benefits of implementing OBBBA equivalency for western Canadian ski areas are thus $40 million.

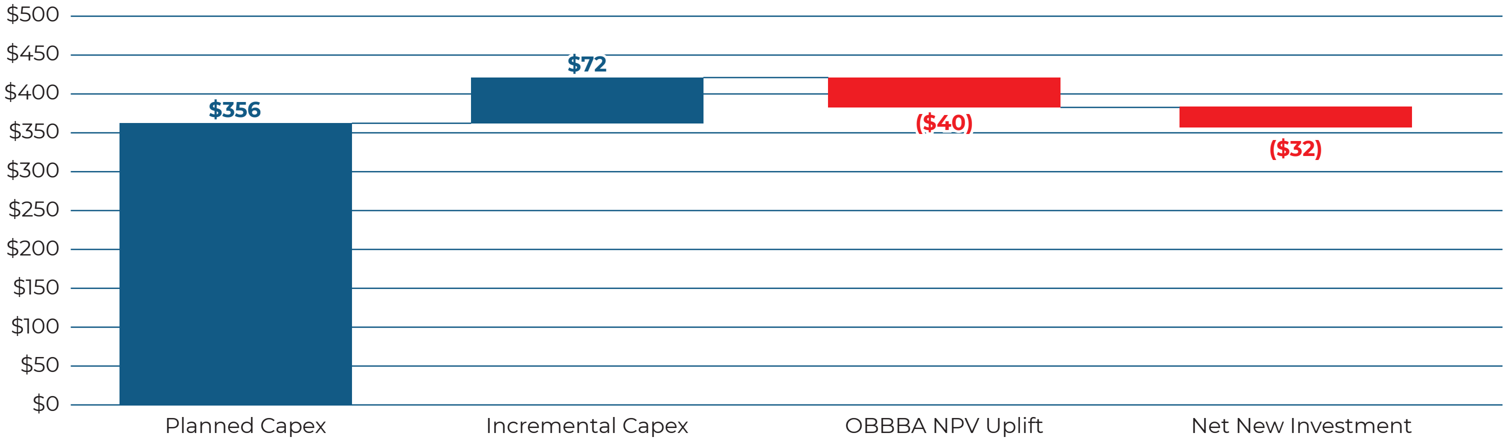
The $40 million investment generated from the OBBBA benefits effectively represents what companies would otherwise invest in the future that is being accelerated due to the OBBBA equivalent changes. However, because the incremental capex spend is valued at $72 million NPV, the net investment generated over and above the OBBBA benefits is $32 million.

TABLE 3: NPV SUMMARY OF FINDINGS ($M)

Planned Capex NPV increase under OBBBA	$ 21
Incremental Capex NPV increase under OBBBA	$ 19
Total NPV increase under OBBBA	$ 40
Planned Capex NPV	$ 356
Incremental Capex NPV	$ 72
Net New Incremental Capex Beyond the $40 M OBBBA uplift	$ 32

This is effectively net new investment that would not otherwise occur in the absence of adopting OBBBA equivalent tax changes. Consequently, based on these findings if the federal government were to adopt OBBBA equivalent ACCA provisions, the industry would invest ~2 times the value of tax benefits.

FIGURE 1: SKI AREA NET PRESENT VALUE (NPV) IMPACTS OF OBBBA ($M

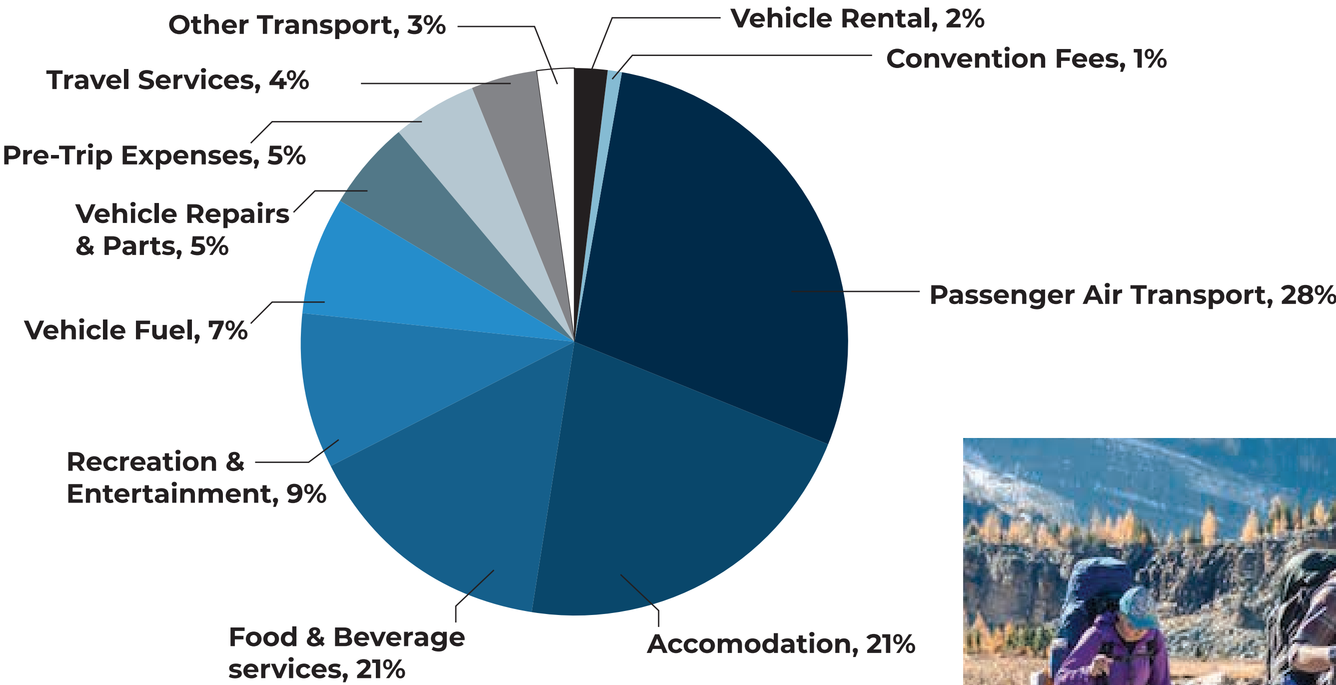


4 ECONOMIC IMPACTS OF SKI AREA OBBBA EQUIVALENCE

Beyond the investment impacts are the wider economic impacts associated with the incremental industry investment. Over and above the economic impacts of the investments themselves (which involve procurement, construction and the associated direct, indirect and induced activities) are the impacts associated with additional tourism activity. Figure 2 depicts the spending profile of tourism demand in Canada.

FIGURE 2: 2025 TOURISM DEMAND IN CANADA BY PRODUCT

Source: Statistics Canada Table: 36-10-0230-01. Tourism Demand in Canada



4 ECONOMIC IMPACTS OF SKI AREA OBBBA EQUIVALENCE

In 2025 total visitor spending was $106 billion.[19] In 2024, total industry investment was $26 billion.[19] Based on a time-series regression analysis, for every dollar of tourism-related investment in Canada, visitor spending increases by 3.9.[21] Consequently, the incremental $159 million in ski area investment will lead to $627 million in visitor spending.

Using a customized Statistics Canada tourism expenditure economic impact model, the economic impacts of the planned and incremental tourism spending associated with the new investment are included in Table 4.[21] The $627 million in incremental visitor spending associated with the $159 million in investment will generate a total of $571 million in GDP, $96 million in taxes and 6,600 jobs.

TABLE 4: FIVE YEAR DIRECT, INDIRECT AND INDUCED IMPACTS OF OBBBA EQUIVALENT TREATMENT FOR WESTERN CANADA SKI AREA SURVEY RESPONSES

	Capex ($M)	Visitor Spending ($M)	GDP ($M)	Taxes ($M)	Jobs
Planned Investment	$822	$3,243	$2,954	$496	34,140
Incremental Investment	$159	$627	$571	$96	6,600
Total Investment	$981	$3,870	$3,525	$592	40,740

More broadly, if the entire western Canada ski industry adopted an incremental spending profile reflective of the survey results, the economic impacts would be substantially more significant. Total Western Canada ski area industry revenue in 2023/24 was $2.7 billion.[22] Assuming a capital reinvestment ratio of 28% of revenue,[23] and an incremental capital investment uplift of 19% from the OBBBA (consistent with the survey findings), the 5-year industry wide economic impacts of the OBBBA changes are summarized in Table 5.

TABLE 5: FIVE YEAR DIRECT, INDIRECT AND INDUCED IMPACTS OF OBBBA EQUIVALENT TREATMENT APPLIED TO WESTERN CANADA SKI AREA INDUSTRY AS A WHOLE

	Capex ($M)	Visitor Spending ($M)	GDP ($M)	Taxes ($M)	Jobs
Planned Investment	$2,940	$11,600	$10,600	$1,770	122,000
Incremental Investment	$567	$2,240	$2,040	$342	23,500
Total	$3,507	$13,840	$12,640	$2,112	145,500

The total industry-wide economic impacts associated with adopting equivalent U.S. OBBBA depreciation schedules is $2.2 billion in new visitor spending, $2 billion in GDP, $342 million in tax revenues and 23,500 jobs

REFERENCES

[1] Whiteman, Osterman & Hanna LLP. 2025. Key Depreciation Changes from OBBBA. Available at: *https://www.woh.com/blog/256/Key-Depreciation-Changes-from-the-One-Big-Beautiful-Bill-Act-/*

[2] Hotel Online. 2025. One Big Beautiful Bill – OBBB: What It Means for Hotels, Owners and Technology Investment. Available at: *https://www.hotel-online.com/news/one-big-beautiful-bill-obbb-what-it-means-for-hotels-owners-and-technology-investment*

[3] United States Congress. 2025. Public Law No. 119-25. One Big Beautiful Bill Act. Available at: *https://www.congress.gov/bill/119th-congress/house-bill/1/text*

[4] Government of Canada. 2026. Capital Cost Allowance Classes. 2026. Available at: *https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/report-business-income-expenses/claiming- capital-cost- allowance/classes.html*

[5] Government of Canada. 2026. Classes of Depreciable Property. Available at: *https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/report-business-income-expenses/claiming-capital-cost-allowance/classes-depreciable-property.html#class10*

[6] Government of Canada. 2025. Canada Strong Budget 2025. P 84. Available at: *https://budget.canada.ca/2025/report-rapport/pdf/budget-2025.pdf*

[7] Government of Canada. Accelerated Investment Incentive. Available at: *https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/report-business-income-expenses/claiming-capital-cost-allowance/accelerated-investment-incentive.html*

[8] Government of Canada. 2025. Canada Strong Budget 2025. P 85. Available at: *https://budget.canada.ca/2025/report-rapport/pdf/budget-2025.pdf*

[9] Government of Canada. 2024. Federal Tourism Growth Strategy. Available at: *https://ised-isde.canada.ca/site/canadian-tourism-sector/en/canada-365-welcoming-world-every-day-federal-tourism-growth-strategy*

[10] Government of British Columbia. 2026. Tourism Sector Action Plan. Available at: *https://www2.gov.bc.ca/gov/content/employment-business/look-west-strategy/diversifying-markets-and-growing-targeted-sectors/tourism-action-plan*

[11] Government of Alberta. 2024. Higher Ground: A Tourism Sector Strategy. Available at: *https://open.alberta.ca/dataset/eaba46fa-eb1a-487b-9ebf-fa9f7314236e/resource/49696c76-4ed4-418b 866e-65c0620c9121/download/ts-higher-ground-tourism-sector-strategy-2024-02.pdf*

REFERENCES

[12] Forbes. 2026. U.S. Ski Resorts Are Banking on A Prosperous Future. February. Available at *https://www.forbes.com/sites/rogersands/2026/02/20/us-ski-resorts-are-banking-on-a-prosperous-future/*

[13] Statistics Canada. 2025. Research to Insights: Canada's Economy During Recent Canada-U.S. Trade Developments. October. Available at: *https://www150.statcan.gc.ca/n1/pub/11-631-x/11-631-x2025004-eng.htm*

[14] Bank of Canada. 2026. Bank of Canada maintains the policy rate at 2¼%. June. Available at:

https://www.bankofcanada.ca/2026/06/fad-press-release-2026-06-10/ [15] Government of Canada. 2025.

Canada Strong Budget 2025. P 20. Available at: *https://budget.canada.ca/2025/report-rapport/pdf/budget-2025.pdf*

[16] See Tourism Industry Association of Alberta 2025. Reimagining Tourism in Alberta: A Strategic Export Commodity, Driver of Economic Growth and Trade Diversification Tool. Available at: *https://www.tiaalberta.ca/_files/ugd/3adee6_923926e5c55a4c75af8d8c4b7fa0eceb.pdf*

[17] Destination Canada. 2026. Travel and Tourism: A Powerful Economic and Social Driver for Canada. Available at: *https://www.destinationcanada.com/en-ca/value-of-tourism*

[18] Statistics Canada. 2026. Table: 36-10-0230-01. Tourism Demand in Canada. Available at: *https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610023001*

[19] Statistics Canada. 2025. Tourism Investment Module. Available at: *https://www150.statcan.gc.ca/n1/daily-quotidien/250213/dq250213b-eng.htm.* Up to date data was provided directly to Verum Consulting.

[20] Regression relationship derived by Verum Consulting, based on data inputs from Statistics Canada visitor spending (Table 36-10-0230-01), and Statistics Canada Tourism Investment Module *https://www150.statcan.gc.ca/n1/daily-quotidien/250213/dq250213b-eng.htm*

[21] Derived from Statistics Canada and Travel Alberta.

[22] Canada West Ski Areas Association. 2025. CWSAA Financial Analysis Report and Value of Ski Resort Areas Economic Impact Report. Available at: *https://cwsaa.org/data-metrics-for-ski-areas-report-published-july-2025/*

[23] Ski Area Management. 2026. Strength in Stability. Available at: *https://www.saminfo.com/archives/2020-2029/2026/march-2026/strength-in-stability*

TOURISM INDUSTRY ASSOCIATION ALBERTA

Box 142, Calgary Stn Central
Calgary, Alberta, T2P 2H6

TIAALBERTA.CA