

HALIFAX

Commercial Tax Timeline

How We Got Here

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Outline

- Origin
- Legislation requested versus passed
- Recent events
- Timeline
- Current state
- Key Points

Origin

In April 2015, Regional Council passed a motion requesting a staff report and recommendations for changes to the commercial tax structure and for implementation approaches that shall:

- **Address concerns regarding small and independent businesses.**
- **Outline options to address these issues.**
- **Contain pros and cons of various courses of action.**

Origin

- Staff then began work on the subject, resulting in a Regional Council report entitled “**Commercial Tax Options for Small Business**”.
- This report included a variety of survey results and historical data points on trends in the commercial sector.
- Regional Council requested additional powers from the Province to allow for greater flexibility in how the municipality levies commercial tax.
- Some of requested powers were granted, not all.
- This led to two bills: **177 and 52, the latter being specific to Halifax.**

Legislative Powers Granted

Bill 52

Regional Council may set **different commercial tax rates** for commercial property located in **areas of the municipality** designated by Council, based on:

- a) the **assessment** of commercial property;
- b) the **length or proportion of frontage** of a property on a street;
- c) the number of **square metres** in a **property** and/or the number of **square metres** in all **commercial buildings** on a property.

As well, Regional Council may:

set additional **tiered or escalating** commercial tax rates (based on the factors set out above) that are **in excess** of those rates; and

set additional or different commercial tax rates, using **any combination** of the above.

Bill 177

- a) Authorizes municipal councils to make a by-law **providing for the phasing-in, over a period of up to 10 years, of an increase to the taxable assessed value of certain commercial or contaminated properties located in a commercial development district** established by the by-law and further providing for the cancellation, reduction or refund of taxes paid as a result of the phasing-in; and
- b) Allows a municipal planning strategy to include statements of policy respecting the eligibility criteria for the establishment of a commercial development district.

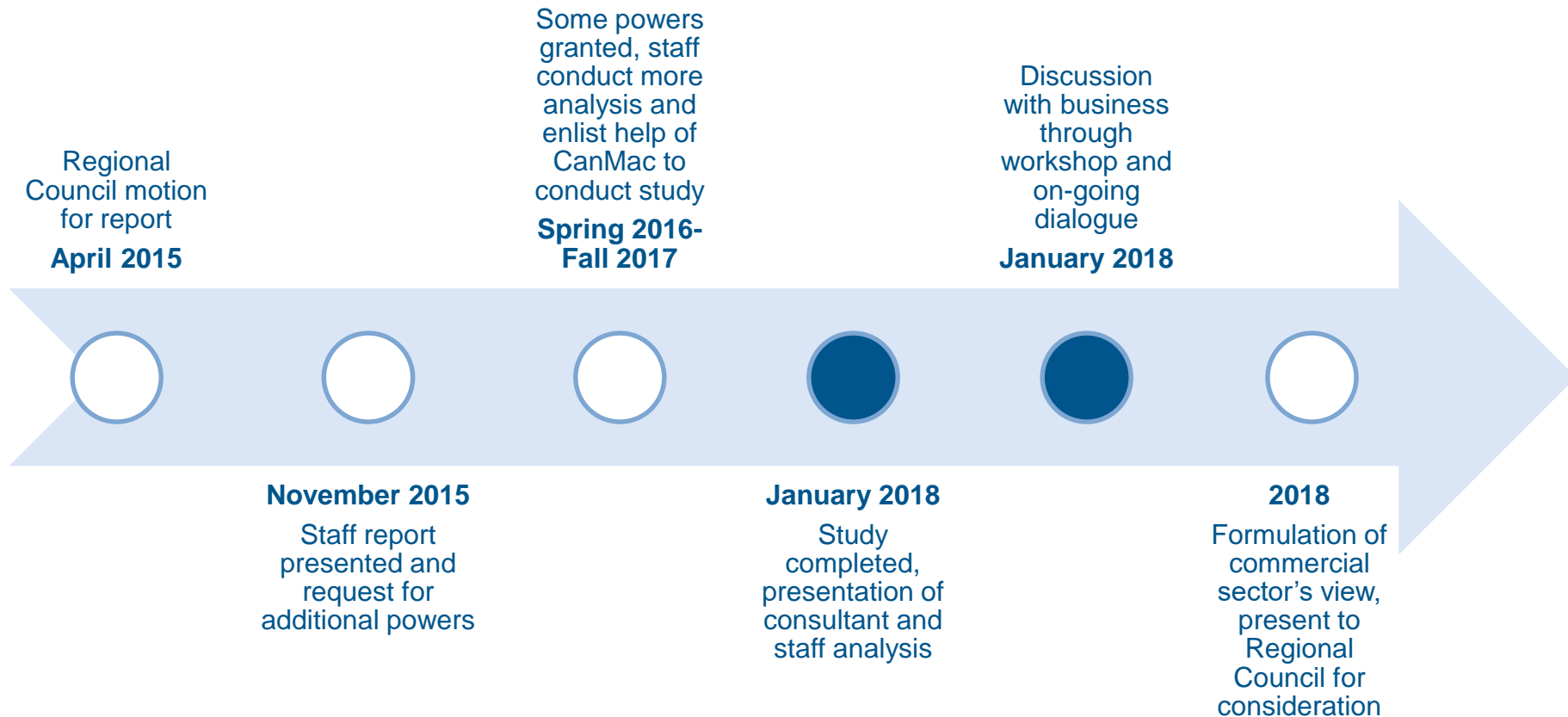
Requested but not granted powers

- Assessment averaging (phase-in ability).
- Assessment role updated as in Ontario (4 Years).
- Ability to set tax rates and charges based on different categories and size of business and building type.
- Ability to set a uniform charge or amount of tax per dwelling unit or property.
- A maximum or a minimum charge or amount of tax that is payable.

Recent events

- Enlisted help of CanMac Economics to analyze improvements to system based on economic analysis.
- Economic analysis of property tax has been highlighted by prominent Canadian think-tanks (C.D. Howe).
- Additional staff analysis of potential adjustments to how tax is collected.
- Workshop with business and on-going feedback/dialogue.
- Planned report to Council in 2018.

Timeline



Current state

- Gain better understanding of what business believes should be done through determining objectives and options with the help of:
 - CanMac report
 - Internal analysis conducted since 2015
 - Stakeholder workshop/on-going dialogue with business
- Report to Regional Council on objectives, policy options from incorporating feedback from business/ commercial sector.

Key points

- Given some additional tax powers, not all requests have been granted.
- Need business/ commercial feedback on objectives and options for commercial tax.
- Business sentiment is critical.
- Dialogue/ feedback does not end after this workshop; just beginning.
- Feedback on objectives/ options critical for report to Regional Council.