

## Commercial Tax Workshop: Summary

A commercial tax workshop was hosted by staff from the Halifax Regional Municipality's Finance department on January 18, 2018 at Alderney Public Library. The workshop was the result of commercial sector, Regional Council and staff interest to work toward improving the commercial tax system. Participants from the municipality's business community were invited and, in advance of the workshop, provided an information package regarding commercial tax policy. These documents included Council reports, academic articles and expert commentary.

The opening portion of the morning began with an overview of the history of the commercial tax issue. Subsequent presentations featured Mike Foster of CanMac Economics, presenting an economist's perspective on the commercial property tax, along with recommended changes/improvements. CanMac concluded that the commercial property tax should be aligned to the municipal services benefiting businesses, and assessment for the commercial sector is not optimal. CanMac noted these changes are long-term in nature and would require substantial changes at both the provincial and municipal levels.

The morning and lunch hour concluded with a presentation by Bruce Fisher, Manager of Fiscal Policy and Planning, outlining what the municipality may be able to do with existing legislative powers to alter who pays what within the commercial sector. These options ranged from shifting tax from assessed value to frontage or square footage to density incentives and tiered tax rates or combinations of these. These options were presented as illustrative examples only, using hypothetical data.

The afternoon session was a discussion on what participants thought the objectives of the commercial tax system should be, ranging from a service-based tax system (pay for what you get), to having "larger" firms pay more than "small firms".

Initial thoughts from participants included a hybrid idea of the tax, shifting part of the commercial tax bill onto cost of servicing with a remaining portion on assessment. The group concluded that these ideas require more modelling and information to better understand the implications of options.

The session concluded with some consensus and understanding of issues presented, along with participants indicating their desire for an additional workshop(s) to come to a consensus on objectives and policy options for the commercial tax system, which are to be presented to Regional Council later this year.