

SECTION 2  
COUNCIL CORRESPONDENCE  
City Manager  
Deputy City Manager  
Dir. Finance  
Financial Management Committee (Sept. 22)

---

**From:** CFIB\_BC [<mailto:MS.BC@cfib.ca>]  
**Sent:** June-22-16 4:11 PM  
**To:** CFIB\_BC  
**Subject:** CFIB's 2016 BC Property Tax Gap Report

Dear Mayor and Council,

As you may know The Canadian Federation of Independent Business (CFIB) is a non-profit, non-partisan business association that seeks to give independent business a greater voice in determining the laws that govern business and the country. With 109,000 members across Canada, and 10,000 in BC, we are the largest organization exclusively representing the interests of small- and medium-sized businesses (SMEs) to all levels of government.

I would like to take this opportunity to share the results of the [10<sup>th</sup> edition of our Property Tax Gap Report\\*](#) with you. For additional ratings and breakdowns by region, please also review the [charts and news release](#) applicable to your area.

BC's largest municipalities continue to levy an unfair property tax burden on small business. The 2016 edition of the BC Property Tax Gap Report focuses on the 20 largest municipalities in BC and examines recent trends in the disparity between commercial and residential property tax rates, also known as the "tax gap". The gap is a measure of property tax fairness for small business. Scrutiny of this gap is critical as property taxes cripple businesses – a recent survey showed 61 per cent of small businesses consider it the most harmful tax.

The report contains a comprehensive list for the tax gap in 161 municipalities across the province, with details on their tax gaps and how they've progressed over the past one, five, and ten years. In 2015, the average tax gap for all BC municipalities was 2.60, meaning business owners pay over 2.5 times what residents pay on the same valued property.

However, after ten years of the Canadian Federation of Independent Business (CFIB) highlighting the unfairness of the tax system, some municipalities are starting to take action. The tax gap once again narrowed – after rising from 2.74 in 2005 to a peak of 2.90 in 2009, the gap now stands at 2.60 in 2015.

The report also highlights a worrisome trend; as municipalities grow, they tend to put a greater tax burden on businesses. The tax gap for the twenty largest cities in BC stood at 3.04 in 2015, far above the provincial average of 2.60. The worst tax gaps were among some of the most populous municipalities in BC: Coquitlam at 4.24, Vancouver at 4.15 and Burnaby at 3.98.

On a brighter note, the major municipalities' tax gap has also fallen in recent years, down from a 2006 peak of 3.64. However, it remains far too high and continues to burden businesses, slowing down economic growth in BC.

\* Available in Clerk's Office

To ease the municipal property tax burden on small business, municipal governments should:

- 1. Cap the property tax gap between businesses and residents at a maximum of 2 to 1.**
- 2. Provide earlier property tax notices for commercial taxpayers.**
- 3. Allow commercial taxpayers to remit taxes in monthly or quarterly installments.**
- 4. Extend the homeowners' grant to business owners occupying live/work spaces.**
- 5. Close the gap without raising the business tax rate.**
- 6. Move away from utilizing a flat tax rate for residential properties.**

We look forward to receiving a written response from you regarding the property tax gap in your municipality. Please do not hesitate to call if you have questions.

***Sent on behalf of Aaron Aerts, BC Economist***

Sean Rognon

T: 604-684-5325 | 1 888-234-2232

F: 604-684-0529

[@cfibBC](#)

***CFIB: Defending Small Business for 45 Years***

---

This e-mail is intended only for use only by the person(s) to whom it is specifically addressed above and may contain information that is personal, private and confidential. If you are not an intended recipient of this e-mail you are hereby notified that any retention, dissemination, distribution or copying of this email or any information contained herein is strictly prohibited. Please notify us if you have received this in error. Thank you for your co-operation and assistance.

Ce courriel est destiné exclusivement à la(aux) personne(s) mentionnées ci-dessus car il peut contenir des informations de nature personnelle, privilégiée ou confidentielle. Si vous n'êtes pas le destinataire visé, nous vous informons par la présente que toute conservation, diffusion, distribution ou reproduction de ce courriel ou des informations qui y figurent est strictement interdite. Si vous avez reçu ce message par erreur, veuillez nous en aviser immédiatement. Nous vous remercions de votre collaboration.