

Resolution 15A

PAY WHAT YOU SEE LEGISLATION (PASSED)

⇒ County of Inverness

WHEREAS the people of Inverness County understand that we need to pay taxes in order to maintain government services; and

WHEREAS some goods and services have taxes and fees added at the point of sale; and

WHEREAS the total cost is not completely apparent to the consumer until the point of sale; and

WHEREAS government outlets (i.e. Nova Scotia Liquor Commission, and Access Nova Scotia) include taxes and fees in their posted prices; and

WHEREAS taxes and fees not disclosed until the point of sale puts an unnecessary burden on the citizens of Nova Scotia for budget management

THEREFORE BE IT RESOLVED that the UNSM write to the Province requesting that posted prices include all taxes and fees, with the total cost to the consumer at the point of sale being the most prominent displayed price.

Note: *It is understandable that national and international advertising must advertise the base price, without taxes and fees specific to Nova Scotia, but goods and services purchased within the Province of Nova Scotia should include all taxes and fees in the listed price, prior to the point of sale.*

Forwarded to:
Minister of the Department of Finance

RESPONSE:

Thank you for forwarding the Union of Nova Scotia Municipalities Resolution 15A relating to tax-inclusive pricing.

Currently retailers can display prices including or excluding taxes and other government fees. There are administrative and legislative rules pertaining to how taxes are disclosed to a consumer on an invoice or advertisement; however, a retailer could adopt tax-inclusive pricing if they choose to do so.

Tax-inclusive pricing does provide greater certainty to consumers in most transactions. A key benefit from eliminating the Provincial Health Services Tax and introducing the Harmonized Sales Tax was to make the taxes involved in most transactions visible to consumers. However, changing to a regulated

tax-inclusive system is not, in my view, supported by most consumers or retailers.

On the consumer side, many consumers like to know how much tax they are paying. Lots of people have said to me that they don't want taxes 'hidden' with tax-included pricing.

Large retailers, in particular national or international retailers, typically require expensive, large-scale changes to accommodate tax-inclusive pricing into product advertising, displays, and point-of-sale systems. This also creates issues through retail supply chains. For example, many retailers routinely ship products ready for sale to retailers which includes the sale price. These are some of the reasons retailers don't currently use tax-inclusive pricing.

For these reasons, the Province does not have immediate plans to review its current policy.

*The Honourable Graham Steele
Minister
January 24, 2012*