



The Union
of Nova Scotia
Municipalities

OUR MISSION
The UNSM is the collective voice
of municipal government
in Nova Scotia

NEWS RELEASE

For interviews or more information, contact:

Councillor Jim Smith

UNSM President

Phone: 902- 229-8887

Email: smithj@halifax.ca

FOR IMMEDIATE RELEASE

UNSM Supports Review of Municipal Property Taxation System

Halifax, October 17, 2012: The Union of Nova Scotia Municipalities (UNSM) recognizes the current property tax system is not meeting the needs of municipalities or residents and supports the Nova Scotia Chamber of Commerce recommendation to review the municipal property tax system in partnership with the Province and key stakeholders including the business community.

The Nova Scotia Chamber recently released its report "Municipal Property Taxation: Time for Real Change". While the UNSM agrees with some of the report's recommendations such as eliminating the Province's Capped Assessment Program and forming a committee to review the current system, it is concerned about other recommendations, specifically limiting the gap between commercial and residential tax rates, and calculating property taxes strictly on a fee for service basis.

"Elimination of the property tax cap would increase fairness to the system because the current program transfers property tax burden from higher to lower assessed properties, in many cases from higher to lower income families", said UNSM President Councillor Jim Smith. Moreover, the cap does not apply to newly built or purchased homes in the first year. This penalizes seniors wishing to downsize their home as well as first-time home buyers.

"While we recognize commercial tax rates are higher than residential rates across the province, municipalities are also aware that cutting commercial taxes would result in making up the difference on the backs of home owners who already pay significant taxes", Smith further stated.

The issue of tying property taxes directly to services received as proposed by the Chamber, while great in theory, has its challenges. Cost of providing services, and the beneficiaries of those services, also need to be considered. Communities need to discuss the types of service and level of service they are willing to pay for. In the overall picture, municipal taxes represent only 8 per cent of all taxes paid by individuals and businesses.

The UNSM understands the importance of maintaining a vibrant commercial sector in municipalities. To this end, the UNSM's Towns Task Force Report has recommended several policy changes to enhance downtowns including allowing municipalities to offer lower commercial tax rates in the urban core. The UNSM views this as a positive step to encourage businesses to locate in these areas.

Improving the municipal property tax system is a complex issue that will require open discussion and debate province-wide. Any change in the current system will create "winners and losers" for both residents and businesses. UNSM looks forward to working with the business community on such an important issue.