

NEWS RELEASE

BC small business community supports Bill introducing split assessment

Proposed policy would allow municipalities to give targeted property tax relief for struggling small business

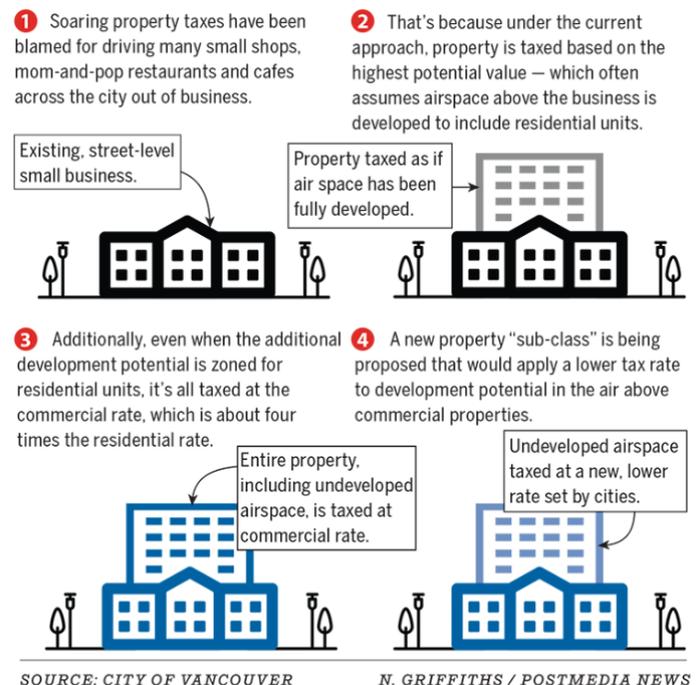
VANCOUVER, October 23 - The Canadian Federation of Independent Business (CFIB) wishes to announce their support for the Split Assessment Amendment Act to be introduced today in the House. If passed, the Bill would help bring the assessment system into the 21st century by allowing municipalities to offer targeted tax relief for small, community businesses in rapidly densifying neighbourhoods.

Small businesses in BC are facing massive property tax increases, largely because of an archaic assessment system. In fact, a recent CFIB survey found over half of business owners in Metro Vancouver have considered closing down due to property taxes and/or lease costs.

“This proposal is one that many stakeholders have come out in support of. The policy would help save some of the businesses being pushed out of our neighborhoods from a phenomena completely out of their control,” said Aaron Aerts, Western Economist for CFIB. “We hope that all parties come together to develop a concrete plan to tackle the property tax crisis with clear timelines and objectives.”

Background:

- The policy is known as “split assessment” and would allow municipalities to set a lower tax rate on the air above small businesses, known as the “development potential”. Currently, municipalities must charge the commercial rate on that air, which in some cases is 4 or more times higher than the residential (see illustration).
- The policy proposal is the primary recommendation from the Inter-Governmental Working Group tasked with finding ways to help small business facing skyrocketing property tax. The group consists of municipalities across Metro Vancouver, BC Assessment and the BC government.
- Over the past year, CFIB along with other business and cultural organizations have been calling for the creation of a split assessment system. CFIB has highlighted five property tax horror stories at www.cfib.ca/skyhightaxes.



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About CFIB

The Canadian Federation of Independent Business (CFIB) is Canada's largest association of small and medium-sized businesses with 110,000 members, including 10,000 in BC, across every industry and region. CFIB is dedicated to increasing business owners' chances of success by driving policy change at all levels of government, providing expert advice and tools, and negotiating exclusive savings. Learn more at cfib.ca.