



UBCM Releases Municipal Fiscal Management Study

Report shows policy advocated by CFIB would cost average homeowner nearly \$230 per year

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(Victoria, BC) Tax policies advocated by the Canadian Federation of Independent Business (CFIB) would increase property taxes on the average home in BC by 14.5% - nearly \$230 - annually. This finding is contained in a new report published by the Union of BC Municipalities (UBCM) that examines municipal tax policy and fiscal management in British Columbia.

“The CFIB has been saying that businesses are taxed unfairly,” said UBCM President Barbara Steele. “Our research shows that for the past two decades the actual portion of property taxes paid by businesses has declined slightly. During the same period, the portion paid by homeowners has grown by 7%. The implementation of the cap advocated by the CFIB would effectively increase the taxes paid by families even further.”

The report calculates the shift from business to residential property owners if a 2:1 ratio advocated by the CFIB was implemented at current spending levels. Many municipalities in BC have a higher rate of taxation for businesses based on their ability to pay in comparison to residential owners, since businesses can deduct this expense or pass along costs.

The report also shows how increased spending in municipalities in recent years is driven by local demand for improved protective and recreational services. While the portion of total spending in these areas over the past two decades is increasing, the portion of spending on overhead has decreased.

“The findings of the report show that municipalities are investing more in the areas that matter most to our communities and that our operations are becoming more efficient,” said Ms. Steele.

The report also includes data showing that the vast majority (75%) of the Mayors in British Columbia’s municipalities are drawn from the private sector.

The report *Comment on Fiscal Management in British Columbia’s Municipalities* was produced by UBCM together with the Local Government Management Association and Government Finance Officers Association of British Columbia. It is available now at www.ubcm.ca

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