

PROPERTY TAX - IN THE NEWS AGAIN

There has certainly been a lot of action on the property tax front since our last newsletter.

The recent Provincial Budget, with great fanfare, announced a \$540 Million reduction in the Business Education Tax (BET). The BET constitutes approximately one-half of your property tax bill. Unhappily the announcement is all spin. For Toronto, where it is of the utmost importance, for the next 6 or 7 years the announced reductions will be nominal only. You'll see real benefit in the year 2014. In other words, it's just a McGuinty promise.

To complicate your situation even more, new property developments get **immediately** the tax relief that is promised to you way off in the distant future. So existing businesses will not only continue to be taxed exorbitantly, but will also have to compete with new businesses receiving significant reductions now. Politically it's a clever move, because it does attract new development, and enables the politicians to say: "Hey our tax policies are excellent, look at all the new business it's bringing to Toronto."

The other bad news is that CVA remains alive and well. The next assessment will be done in 2008 and every fourth year thereafter. The timing is perfectly set to avoid new assessments close to provincial elections. Increases in residential assessments will be phased in over each four-year period, but businesses get no such relief. The only silver lining, and it is significant, is that the BET rate in Toronto is not likely to increase for the near future, and that is definitely a plus.

Loyal newsletter readers will recollect that in the last issue we reported on our presentation to the Toronto caucus of the Provincial Liberal Party, in relation to the BET. Subsequently the NDP prepared and issued an excellent report on the current property tax regime. Following on that, Cheri DiNovo, MPP Parkdale-High Park (NDP), introduced a tax resolution into the Legislature. It calls on the Government to reduce the BET, for Toronto small business, to the average across the Province, and, further, to upload the cost of social services previously downloaded onto municipalities. Both measures could, if implemented, prove very helpful to small business. Michael Prue, MPP for Beaches-East York (NDP), introduced a resolution at the party's recent convention, calling for replacement of Current Value Assessment with a system whereby a property's assessment would change only when the property was transferred. That system would ensure stable taxes, which would change only as the tax rate varies from year to year. Whether the Budget item on the BET was a result of the NDP action or of our caucus presentation is a matter of conjecture, but all that pressure certainly didn't do any harm.

Our press releases are not attracting the attention they once did. We can rectify that if the membership will cooperate. We made this plea last year and here it is again. We need your 2007 final tax bills. A headline like "Provincial Budget spells doom for long standing family business," would certainly attract attention. But to do that we need your tax bills, as many as we can get. Please do your utmost in this regard. Get as many as you can from your membership and e-mail or fax them to us.

Lastly, because of the overwhelming demand expressed at last year's Annual General Meeting, we have prepared posters to support our tax campaign. They are available upon request from the TABIA office, and come in two sizes suitable for store windows as well as other locations. Call for as many as feel you can use and get them up ASAP, and especially well before the provincial election campaign starts in the fall.