

WANTED: Property Tax Fairness in Saskatchewan

A ranking and small business perspective of property tax gaps in Saskatchewan

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Commercial property owners in Saskatchewan continued to pay more than their fair share of property taxes in 2012. On average, commercial property owners paid more than two times the amount of property taxes paid by residents. While important steps have been taken by the province toward reforming education financing, the inequalities presented in this report show more work needs to be done by municipal governments. If Saskatchewan plans on maintaining its positive economic momentum, it is important that governments work toward a more fair and equitable balance between commercial and residential property taxes.

Introduction

Small business owners in Saskatchewan bore a greater property tax burden than their residential counterparts in 2012. On average, businesses in Saskatchewan municipalities with over 1,000 residents paid 2.14 times (down from 2.18 in 2011) the amount of municipal property taxes paid by residents on a property valued at \$200,000.¹ When education property taxes are factored in, commercial property owners in Saskatchewan paid on average 2.03 (down from 2.05 in 2011) times the amount of total property taxes paid by residents on a property valued at \$200,000. This ratio of commercial-to-residential property taxes is referred to as the “*property tax gap*”. This inequality is present in every Saskatchewan municipality. Most troubling is there is no relationship between taxes paid and services received.

¹ The 2011 figure does not include six municipalities that were added to the 2012 report due to their population growth. The 2012 average for the 63 municipalities studied in 2011 was actually 2.17, meaning there was minimal improvement.

This is the sixth in a series of CFIB reports on property taxes in Saskatchewan, which examines municipal and total property tax gaps for 69 municipalities across the province. Unfortunately for small business owners, findings indicate that there has been very little progress in narrowing property tax gaps in Saskatchewan from 2011 levels. In fact, the majority of the province's municipalities that were studied in 2011 and 2012 (34 out of 63) saw their municipal property tax gaps either worsen or stay the same. For example, Humboldt saw its municipal property tax gap rise from 2.95 to 3.23, which is unsustainable and hurts the local business environment. In addition, 39 of the province's municipalities saw their total property tax gaps worsen or stay the same from 2011 to 2012.

While the majority of municipalities did not progress toward a fairer property tax structure, some have taken action and narrowed the tax gap. The greatest improvement from 2011 to 2012 was in Kamsack, where the municipal tax gap decreased from 4.67 to 4.22; yet unfortunately it remains the highest municipal tax gap in the province. The next largest improvement was in Melville where the gap fell from 3.18 to 2.86, which is still well above the provincial average of 2.14.

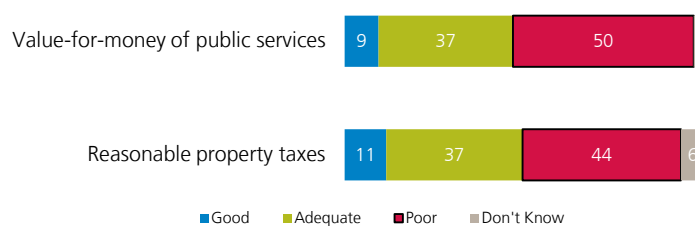
CFIB believes this report is crucial to enlightening municipalities and the province on the important issue of commercial-to-residential property tax inequities in Saskatchewan. This report should be required reading given that municipal leaders will be determining their 2014 operating budgets in the coming months. As in previous reports, CFIB analyzes the municipal and total property tax gaps across Saskatchewan municipalities and also provides recommendations for creating a more equitable property tax system.

Small Business in Saskatchewan

Small businesses are an invaluable part of the economy, and it is important that governments recognize their contributions. In Saskatchewan, 98.4 per cent of businesses are small² (less than 100 employees) and contribute 32 per cent of Saskatchewan's total GDP, tied for the highest percentage among Canadian provinces³.

Figure 1:

How do you rate the local government where your business is situated on the following business issues?



Source: CFIB, *Our Members' Opinion Survey, April 2013 - Saskatchewan results*

² Statistics Canada, Business Register, July 2012

³ British Columbia Statistical Service, Small Business Profile 2012

With Saskatchewan small business owners currently among the most optimistic in Canada as found by CFIB's Business Barometer[®], CFIB believes it is critical all levels of government (federal, provincial, and municipal) ensure their policies help fuel optimism, not dampen it.

A recent CFIB survey finds local governments have room for improvement on some key business issues. Figure 1 reveals nearly half of Saskatchewan small business owners rate their local government as "poor" on delivering reasonable property tax levels. It is concerning that only a small percentage of business owners (11 per cent) rate their government as "good" on this feature.

The same survey also finds that a mere 9 per cent of business owners believe local governments are good at providing value-for-money of public services, while 50 per cent rate them as "poor" (see Figure 1). Business owners understand that property taxes are needed to fund government services, but clearly do not believe they are receiving sufficient value for their tax dollars. Business owners work hard to deliver value to their customers, local governments must do the same.

When one considers the importance of small business to the Saskatchewan and local economies, we cannot afford to continually over-burden entrepreneurs with property taxes that hinder growth. Policy makers need to recognize the consequences of shifting property taxes from residents to businesses, and work towards more fair and equitable taxation.

Understanding Property Taxation in Saskatchewan

Property taxation is one of the oldest forms of taxation in Canada. Before the advent of income and sales taxes, municipal and provincial governments relied almost exclusively on the revenues provided by property-based taxation to fund obligations such as municipal services and education systems. While income taxes, payroll taxes and sales taxes all rise and fall with fluctuations in income and consumption, property taxes do not hold such a distinction.

Every year, local governments vary tax rates in relation to the total assessed values of the properties in their jurisdiction in order to ensure they generate sufficient revenues. Property values, therefore, do not necessarily determine the amount of taxes paid by a property owner; rather they indicate how much one property will pay in relation to

Table 1:

Provincial percentage of value by property class

Provincial Property Tax Classes	Percentage of Value
Non arable (range) land and improvements	40%
Other agricultural land and improvements	55%
Residential land and improvements	70%
Commercial/industrial land and improvements	100%
Other industrial land and improvements (e.g. elevators, pipelines, railways)	75%*

Source: Government of Saskatchewan, Assessment and Taxation, 2013 Revaluation

*It has already been announced that this property class will be taxed at 100% percentage of value in 2013.

another (see Table 1).

CFIB's report leads the way toward better understanding of property taxes and how they are affected by the decisions of three major participants – the provincial government, the Saskatchewan Assessment Management Agency (SAMA), and local governments (municipalities and separate school divisions).⁴

Provincial Government

In broad terms, the provincial government oversees the tax system. It determines broad-based classes of property according to type (e.g. range land, agricultural, residential, commercial and industrial) for provincial property tax purposes and determines the *percentages of value* to apply to those property taxes. The percentages of value are applied to the assessed value of properties, resulting in the taxable assessments for each property class. Table 1 shows the percentage of value applied to each property class.

Any property owner knows that in addition to municipal taxes, they are also responsible for paying education property taxes. In 2009 the provincial government assumed more control over Saskatchewan's education property tax system. As of April 1, 2009, it became the province's responsibility to set education property tax mill rates, which were previously set by local school boards. The provincially-set mill rates apply to all public school divisions and may also be used by separate school divisions. However, separate school divisions have the constitutional authority to levy property taxes to fund their educational system. It is important to note that, under the new system, commercial property has a higher mill rate than residential property. Thus, in all instances, commercial property owners pay more education property tax than residential property owners.

Furthermore, the provincial government provides authority for local governments to use "tax tools" at their discretion to set local property tax policy. These tax tools will be discussed later in the report.

Saskatchewan Assessment Management Agency (SAMA)

The Saskatchewan Assessment Management Agency (SAMA) establishes the rules and principles used to determine assessment values and carries out assessment valuations for some municipalities⁵.

There are three generally accepted techniques used to value property in a market value assessment system:

1. **The sales comparison approach:** The value of a property is determined by recent sale prices of similar properties. Although this approach has the advantage of being more

⁴ In Saskatoon, Regina and Regina Beach library boards also generate revenue through property taxes.

⁵ Saskatoon, Regina, Prince Albert, Swift Current, and 14 other urban municipalities across Saskatchewan have opted out of SAMA's assessment valuations. (Source: SAMA, *2012 Annual Report*, 32.)

transparent and unbiased, it is only useful if properties are frequently bought and sold on the market.

2. **The cost approach:** Typically used for new construction projects, the cost approach values property by adding the price of the land with the cost of improvements and subtracting for depreciation.
3. **The property income approach:** Introduced in 2009⁶, the property income approach relies on property lease or rental information to determine value of properties. This approach provides the assessment appraiser with an additional property valuation tool. Where applicable and practical, this approach to value is expected to increase the accuracy of commercial property assessment.⁷

SAMA co-ordinates a full revaluation of properties in the province every four years to capture the changing property values in the province. The last revaluation of 2009 used June 30, 2006 as the base date and the 2013 revaluation will update assessed values to reflect a new base date of January 1, 2011. Based on the strength of the real estate market between the 2006 and 2011 base dates, SAMA anticipates that assessment shifts will be higher than any revaluation since 1997⁸.

Local Governments

Municipalities use assessed values, along with the property classes and percentages of value set by the province, to establish mill rates based on their budget requirements. Municipal governments calculate their municipal mill rate as follows:

$$\text{Municipal Mill Rate} = \frac{\text{Total Property Tax Revenue Required}}{\text{Total Taxable Assessment}}$$

Source: Government of Saskatchewan, Ministry of Government Relations "A Guide to Municipal Property Tax Tools"

Municipal Mill Rate and Mill Rate Factors

The mill rates are uniformly applied to all properties, therefore, they do not directly contribute to variation between property classes. However, local governments also have *mill rate factors* at their disposal, which allow them to vary the mill rates between property classes. The Ministry of Government Relations outlines the purpose of mill rate factors in its *Guide to Municipal Property Tax Tools*:

Mill rate factors may be used to:

- manage the tax shifts among the local property classes;
- control the distribution of taxes among property classes within the municipality, but not between municipalities;
- increase tax revenue on commercial and industrial properties, similar to what the business tax did in the past

Source: Government of Saskatchewan, Ministry of Government Relations "A Guide to Municipal Property Tax Tools"

⁶ SAMA, *Revaluation 2009: Overview*.

⁷ SAMA, *The Income Approach to Value*.

⁸ SAMA, *2012 Annual Report*, 26.

By applying mill rate factors to the calculation of property taxes, municipalities are able to shift a greater share of local revenue requirements onto businesses. Municipalities that opt to vary mill rate factors by property class have unanimously chosen to place a greater burden on business compared to residential property. In 2013 the provincial government mandated an interim limit on municipalities' use of mill rate factors, whereby the ratio of the largest mill rate factor for a class to the smallest could not exceed 15.0. This policy is meant to address the most extreme abuses of municipal mill rate factors, such as in the Rural Municipality of Eye Hill where the ratio of commercial to agricultural mill rate factors was 28.75 in 2011 and 32.7 in 2012.⁹

It is our understanding that in conjunction with the decision to set an interim limit on mill rate factors for 2013, the Ministry of Government Relations will conduct a further review and consult business and municipal sector stakeholders to develop a long-term policy for planning limits on local property tax tools to take effect in 2014. The review will include all local property tax tools (minimum tax, base tax, mill rate factors, subclasses, phase-in) and all categories of municipalities, including cities, towns, villages, resort villages, rural municipalities and northern municipalities. CFIB is pleased such a review is being undertaken as we believe setting a limit of 15 does not go far enough to address the issue of property tax inequality.

Using data from 761 Saskatchewan municipalities we found that a majority (61 per cent) of municipalities do not use mill rate factors and only 13 per cent had a ratio of highest to lowest mill rate factors above 2.00. Saskatchewan cities were the worst offenders as all 15 used mill rate factors that placed a greater burden on businesses, while 56 per cent had ratios greater than 2, with an average of 3.27 while the average for all municipalities was 1.75. We also looked at the ratio for the municipalities studied in this report (which represents the most populated municipalities in the province) and found that only 20 per cent did not use mill rate factors while 32 per cent had ratios over 2.00 with an average of 2.03. This implies that Saskatchewan's most populated communities are more likely to place an unfair tax burden on businesses even though they have larger residential tax bases to pool from. Based on this data we feel that a limit of 2.00 is more appropriate and strongly support the introduction of a long-term strategy of phasing out the use of mill rate factors all together.

In 2012, all 15 of Saskatchewan's cities¹⁰ imposed higher municipal mill rate factors on commercial properties compared to residential properties. In addition, of 54 municipalities with population greater than 1,000, 38 had higher municipal mill rate factors on commercial properties. Of the remaining 16, 15 treated both classes of property equally and one municipality, Maidstone, had a higher residential mill rate factor than commercial, which is truly a rarity.

⁹ "Sask. Gov't sets interim mill rate factor limit," *Regina Leader-Post*, 24 April 2013,

¹⁰ The city of Lloydminster moved to Alberta assessment procedures starting on January 1, 2005. As a result it has been excluded from the current survey.

Additional Tax Tools

There are several other tax tools that the provincial government has given municipalities the authority to enforce:

- ▶ **Base tax** - A set amount of property tax is levied, regardless of the assessed value of the property. Base taxes can be varied for each property class. CFIB's property tax report includes base taxes in the calculation of property tax bills and gaps. In 2012, 50 of the 69 municipalities studied applied a base tax to residential and/or commercial property.
- ▶ **Minimum tax** - If the calculated municipal property tax is less than the minimum tax set by the municipality, the minimum tax is applied instead.
- ▶ **Property tax phase-in provisions**¹¹ - Allows a municipality (cities only) to phase-in a tax increase or decrease for taxable property over a set period.
- ▶ **Local property subclasses** - Most municipalities can only apply tax tools to three property classes: agricultural, residential and commercial. However, cities can break down these local property tax classes further if so desired. For example, Moose Jaw has a golf course property subclass.

¹¹ In 2004, the provincial government removed the authority of towns, villages, resort villages, rural municipalities and Northern municipalities to phase in property taxes.

Municipal Property Taxes across the Province

Calculating the Municipal Property Tax Gap

The tax tools used by the provincial and local governments ultimately shift a greater portion of the tax burden onto businesses. The municipal property tax gap for each municipality is calculated as the total municipal property tax bill for a commercial property divided by the bill for a residential property. The resulting ratio represents the amount of property taxes paid by a commercial property owner per dollar paid by a residential property owner for a property assessed at the same value. The calculation of municipal property taxes is as follows:

$$\text{Municipal Property Taxes} = \text{Assessed Value} \times \text{Provincial Percentage} \times \text{Mill Rate} \times \text{Mill Rate Factor} + \text{Base Tax}$$

Source: Government of Saskatchewan, Ministry of Government Relations

Consider two properties valued equally at \$200,000 in the City of Melville, one being residential and the other being commercial. The uniform municipal mill rate in Melville in 2012 was 30.9 per \$1,000 of taxable property and the mill rate factors on residential and commercial property were 0.4693 and 1.1194, respectively. Melville also applied a \$600 base tax to both residential and commercial properties (see Table 2).

For a \$200,000 assessment commercial property owners paid \$4,888 more in municipal property taxes than residential property owners in Melville for the 2012 tax year. Thus, the resulting municipal tax gap for the City of Melville is 2.86.

Municipal Property Tax Provincial Highlights

A comparison of commercial municipal property tax bills provides evidence of the inequalities businesses face around the province. For a property assessed at \$200,000 in 2012, Saskatchewan commercial property owners paid anywhere from \$1.19 to \$4.22 for every dollar of municipal property taxes paid by homeowners.

On average, business owners in Saskatchewan paid 2.14 times the amount of municipal property taxes paid by residents for \$200,000 assessments, down slightly from 2.18 in

Table 2:

Calculating the municipal property tax gap in Melville

	<i>Residential</i>	<i>Commercial</i>
Assessed Value	\$200,000	\$200,000
X Provincial percentages	0.7	1.0
= Taxable property	\$140,000	\$200,000
X Mill rate (per \$1,000)	30.9000	30.9000
=	\$4,326	\$6,180
X Mill rate factor	0.4693	1.1194
=	\$2,030	\$6,918
+ Base tax	\$600	\$600
Total municipal tax bill	\$2,630	\$7,518
Municipal tax gap		2.86

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

2011 and 2.22 in 2010.¹² While CFIB is pleased that the average has not increased since 2011, of the 63 municipalities examined in both years of this study, only 29 improved their municipal tax gap. For an overall province-wide ranking of the municipalities, refer to Appendix A.

Dalmeny has lowest municipal property tax gap; Kamsack the highest – 3rd year in a row

Across municipalities in this study, Dalmeny had the lowest municipal property tax gap at 1.19, an improvement from second place in 2011, followed closely by Waldheim and White City at 1.25 (see Appendix A). On the other hand, the municipal property tax gap in Kamsack was the highest in the province for the third year in a row at 4.22. Rounding out the bottom of the list are Yorkton and Weyburn with municipal property tax gaps of 3.72 and 3.47, respectively.

Kamsack boasts most improved municipal property tax gap; Humboldt sees largest increase

The town of Kamsack made the most progress in lowering its gap from 4.67 in 2011 to 4.22 in 2012, reducing it by 0.45 (see Appendix C). However, it is important to note that Kamsack still has the highest municipal tax gap in the province for \$200,000 assessments. Also making significant improvement to its municipal property tax gap was Melville, which improved by 0.32. Unfortunately for Saskatchewan business owners in Humboldt, the municipal property tax gap increased from 2.95 in 2011 to 3.23 in 2012 – or 0.28 – the largest jump in the province. Also worth noting are Melfort, Warman and Macklin, which increased their gaps by 0.19, 0.18 and 0.13, respectively.

Waldheim has lowest commercial municipal property tax bill; Eston the highest

Across Saskatchewan, municipal property taxes on a commercial property with an assessed value of \$200,000 ranged from as low as \$1,500 in Waldheim to \$13,595 in Eston, and the provincial average was \$5,264, up from the 2011 average of \$5,212 (see Appendix B)¹³. White City, Kelvington and Regina Beach all had commercial property taxes below \$2,500. However, commercial property owners in Foam Lake, Kamsack and Shellbrook were footing large municipal property tax bills at \$11,440, \$11,414 and \$10,140, respectively. In comparison, municipal residential property tax bills across the province ranged from \$1,200 to \$5,600 and the provincial average was \$2,458.

¹² The 2011 figure did not include six municipalities that were included in the 2012 report for the first time. Without these six municipalities the average municipal tax gap would be 2.17 for 2012, which is a better comparison to the 2011 municipal tax gap since they consider the same municipalities.

¹³ The 2011 figure did not include six municipalities that were included in the 2012 report for the first time. Without these six municipalities the average commercial municipal tax bill would be \$5,350 for 2012, which is a better comparison to the 2011 figure since they consider the same municipalities.

Cities¹⁴

In all Saskatchewan cities commercial property owners subsidized residential property

Table 3:

Cities: Municipal property tax gap ratios and municipal taxes for \$200,000 of assessed value

Municipality	Total municipal commercial taxes per \$200,000	Total municipal residential taxes per \$200,000	2012 Municipal Tax Gap	2011 Municipal Tax Gap	2011 to 2012
Yorkton	\$6,100	\$1,638	3.72	3.79	✓
Weyburn	\$5,483	\$1,581	3.47	3.47	=
North Battleford	\$6,795	\$2,061	3.30	3.32	✓
Humboldt	\$6,742	\$2,087	3.23	2.95	✗
Melville	\$7,518	\$2,630	2.86	3.18	✓
Prince Albert	\$6,690	\$2,516	2.66	2.57	✗
Swift Current	\$3,897	\$1,499	2.60	2.60	=
Melfort	\$5,742	\$2,488	2.31	2.12	✗
Estevan	\$3,601	\$1,606	2.24	2.24	=
Meadow Lake	\$5,481	\$2,514	2.18	2.24	✓
Moose Jaw	\$4,041	\$1,966	2.05	2.08	✓
Regina	\$3,716	\$1,905	1.95	1.95	=
Warman*	\$3,082	\$1,714	1.80	N/A	N/A
Saskatoon	\$2,846	\$1,588	1.79	1.78	✗
Martensville	\$2,799	\$1,799	1.56	1.57	✓
Average	\$5,124	\$1,985	2.51	2.56	✓
✗ gap worsened ✓ gap improved = gap same					

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

*Warman became a city in October 2012 and thus was not included with 2011 data for cities.

owners by paying between 1.56 and 3.72 times the amount of municipal taxes on properties assessed at \$200,000. On average, commercial property owners paid \$2.51 in municipal property taxes for every dollar paid by residential property owners in 2012 (see Table 3). While this was technically an improvement over 2011 when the gap was 2.56, in reality the improvements can be attributed to the fact that Warman was added to this section as it became a city in October 2012. If Warman had been excluded from the city calculations in 2012, as it was in 2011, then commercial property owners in Saskatchewan cities would have paid an average of \$2.57 in municipal property taxes for every dollar paid by residential owners, which would have been a slight increase.

Among the 15 Saskatchewan cities, six were able to improve their municipal tax gap while five, including Warman, saw their gap worsen. This is a considerable drop from 2011 when eight of the fourteen cities studied saw their municipal tax gap worsen from 2010 and only four recorded an improvement. The biggest increase in 2012 was in Humboldt, where the gap grew from 2.95 in 2011 to 3.23 in 2012 (a 9.5 per cent increase). This is the result of the city introducing a commercial base tax of \$425 and increasing the

¹⁴ The city of Lloydminster moved to Alberta assessment procedures starting on January 1, 2005 and as a result has been excluded from the current survey. The city of Warman received city status on October 24, 2012 and as a result was added to the city section of the report.

commercial mill rate factor. By comparison, residential properties saw an increase in the base tax from \$410 to \$495, as well as a slight increase of the mill rate, but not nearly as severe as increases for commercial properties.

While still placing in the top third of Saskatchewan cities for the highest municipal tax gap, the city of Melville deserves distinction for having the second largest improvement in its gap in the province between 2011 and 2012. Melville was able to decrease its tax gap by 0.32 by lowering mill rates for commercial and residential properties. Between 2011 and 2012 residential properties saw a decrease of 2.7 per cent in the mill rate while commercial properties saw a 10.5 per cent decline.

Yorkton has distinction of highest municipal property tax gap - 2nd year in a row

Of Saskatchewan's 15 cities, Yorkton had the most unbalanced municipal property tax system with commercial property owners paying \$3.72 for every dollar paid by residential property owners for properties assessed at \$200,000. Yorkton's sizeable gap can be attributed to it having by far the lowest residential mill rate factor of 0.24, providing residents with a sizeable tax break that leaves businesses footing the bill. To put this in context, the next lowest residential mill rate factor among cities was Melville at 0.4693, almost twice as large as Yorkton. Weyburn's high municipal property tax gap of 3.47 is also worth noting and can be attributed to it having a much higher commercial mill rate factor of 1.47 compared to a residential mill rate factor of 0.412. North Battleford and Humboldt had the next highest municipal property tax gaps of 3.30 and 3.23, respectively. Melville (2.86), Prince Albert (2.66) and Swift Current (2.60) also had municipal tax gaps greater than 2.51, the average among Saskatchewan cities (see Table 3).

Melville has highest commercial municipal property tax bill - 3rd year in a row

For the third year in a row Melville had the highest commercial municipal property tax bill amongst Saskatchewan cities, costing business owners \$7,518 for a \$200,000 assessed property value. While this does represent a decrease from \$8,107 in 2011, the municipal commercial property tax bill in Melville is still over \$700 more than the next highest municipal property tax bill and almost \$2,400 higher than the average among cities. This is because Melville utilized by far the highest municipal mill rate of all cities, 30.9, which is over 30 per cent larger than Yorkton, which had the second highest municipal mill rate at 23.75. Other Saskatchewan cities with commercial municipal property tax bills higher than the \$5,124 average for cities included North Battleford, Humboldt, Prince Albert, Yorkton, Melfort, Weyburn and Meadow Lake (see Table 3).

Martensville boasts lowest municipal property tax gap - 3rd year in a row

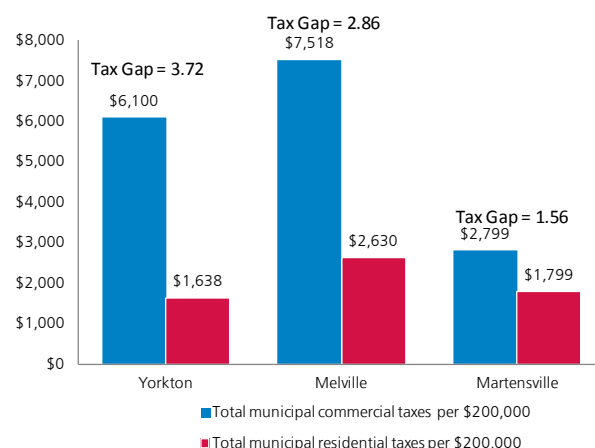
Martensville can pride itself on having the lowest municipal tax gap for a \$200,000 assessment of all Saskatchewan cities for the third year in a row at 1.56, a drop from 1.57 in 2011 and 1.59 in 2010. The province's two largest cities, Saskatoon (1.79) and Regina (1.95), maintained their low tax gaps for another year, ranking second and fourth, respectively. It is important to note that in the year 2000 Saskatoon took decisive action towards reducing the commercial-to-residential tax gap, which included implementing a 10-year plan that reduced their tax gap to 1.75 in 2010. Since then there have been slight increases over the last two years to the tax gap; as a result, in 2013 Saskatoon City Council began considering another long term plan that could see the municipal tax gap fall to 1.43.¹⁵ Warman, Saskatchewan's newest city had the third lowest municipal tax gap among cities at 1.80. Moose Jaw (2.05), Meadow Lake (2.18), Estevan (2.24) and Melfort (2.31) were also among the Saskatchewan cities with a municipal tax gap lower than the average of 2.53.

Martensville has lowest commercial municipal property tax bill - 3rd year in a row

In addition to having the lowest municipal property tax gap across Saskatchewan cities, Martensville also had 2012's lowest commercial municipal property tax bill at \$2,799. This is due to the municipality using the lowest municipal mill rate in the region (6.92) and also using relatively equitable residential and commercial mill rate factors

¹⁵The Saskatoon City Council included it as a priority in their 2012-2022 Strategic Plan (<http://www.saskatoon.ca/DEPARTMENTS/City%20Managers%20Office/Documents/CityStrategicPlanWEB.PDF>) and began considering a specific goal in April 2013 (<http://www.saskatoon.ca/DEPARTMENTS/Corporate%20Services/City%20Treasurer%20-%20Services%20and%20Payments/Property%20Tax/Pages/municipal-tax-ratio.aspx>)

Figure 2:
Cities: Commercial vs. residential municipal property taxes per \$200,000 of assessed value



Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Table 4:
South West: Municipal property tax gap ratios and municipal taxes for \$200,000 of assessed value

Municipality	Total municipal commercial taxes per \$200,000	Total municipal residential taxes per \$200,000	2012 Municipal Tax Gap	2011 Municipal Tax Gap	2011 to 2012
Shaunavon	\$6,420	\$2,301	2.79	2.79	=
Maple Creek	\$6,650	\$2,475	2.69	2.84	✓
Gull Lake	\$6,661	\$2,623	2.54	2.67	✓
Assiniboia	\$6,584	\$3,742	1.76	1.76	=
Gravelbourg	\$4,450	\$3,370	1.32	1.32	=
Average	\$6,153	\$2,419	2.22	2.28	✓
* gap worsened ✓ gap improved = gap same					

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

of 1.0 and 1.42, respectively. Saskatoon had the second lowest commercial property tax bill at \$2,846 in 2012.

As can be seen in Figure 2, Saskatchewan cities display a wide variation of municipal property tax gaps and bills. Martensville out-performed other Saskatchewan cities by having the lowest municipal tax bill in the region and boasting a modest municipal tax gap of 1.56. Saskatoon followed closely behind with a municipal property tax gap of 1.79.

South West

The five towns in Saskatchewan's South West that were included in this report performed fairly well in 2012 with an average municipal tax gap of 2.22 for an assessed value of \$200,000. This represents a small improvement from 2011 when the regional average was 2.28. While all five towns were able to hold their tax gap steady or decrease it, municipal taxation varied across the region. This is evident from municipal property tax gaps ranging from a high of 2.79 in Shaunavon to a comparatively low ratio of 1.32 in Gravelbourg, among the lowest in the province (see Table 4).

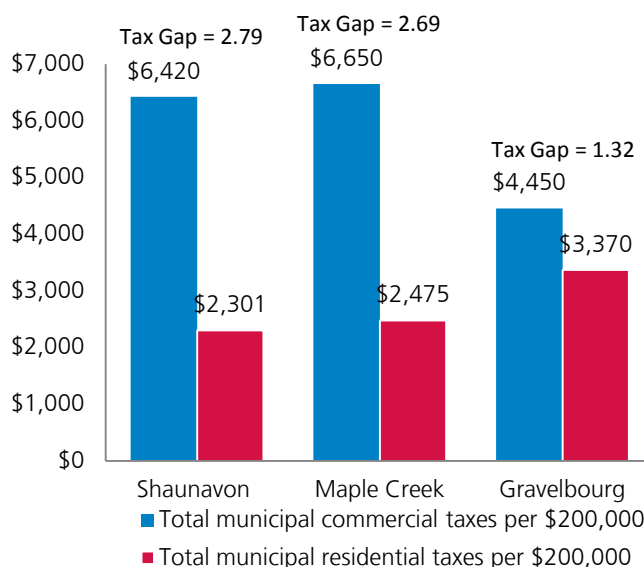
Maple Creek and Gull Lake both reduced their municipal tax gap while Shaunavon, Assiniboia and Gravelbourg saw no change in their tax gap. This is an improvement over 2011 when three of the five towns increased their tax gap. Gull Lake, which saw a decrease in their municipal tax gap to 2.54, was able to offset some of the increases they instituted in 2011 when the tax gap increased from 2.46 to 2.67. While Gull Lake improved its tax gap for 2012 it was only achieved through increased taxation on both commercial and residential properties as the mill rate increased and a base tax was introduced for both property classes.

Shaunavon has highest municipal property tax gap

While Shaunavon made no changes to mill rates, mill rate factors or base taxes in 2012 it still emerged with the highest municipal tax gap in the region at 2.79. Maple Creek

Figure 3:

South West: Commercial vs. residential municipal property taxes for \$200,000 of assessed value



Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

had the greatest improvement in its municipal tax gap in the region, which was achieved by increasing the residential mill rate factor.

Gull Lake has highest commercial municipal property tax bill

Gull Lake had the highest commercial property tax bill at \$6,662 as there was an increase in the municipal mill rate as well as the introduction of a new base tax. Assiniboia had the second largest increase in its commercial taxes, which rose from \$6,262 to \$6,584. This was due to an increase in the municipal mill rate from 2011, already the highest in the region.

Gravelbourg has lowest municipal property tax gap and property tax bill – 3rd year in a row

A positive highlight was Gravelbourg, which maintained both the lowest municipal tax gap (1.32) and tax bill (\$4,450) in the South West region for the third consecutive year. Correspondingly, the town utilized the lowest mill rate in the region and also did not apply mill rate factors. The limited use of municipal tax tools was responsible for keeping the tax gap low. Gravelbourg was also the only municipality in the region whose commercial municipal property tax bill was below the provincial average of \$5,264 (see Table 4).

South East

Saskatchewan's South East corner has fourteen urban municipalities with more than one thousand people. In 2012, the average municipal tax gap for the region was 1.74; the lowest among all the regions and well below the provincial average of 2.14 (see Appendix A). However, commercial property owners still paid more than their fair share in municipal taxes. Table 5 displays the variation in municipal property tax gaps and bills that exists in the South East region. Overall, the municipalities did a good job of improving or maintaining their tax gap as only two of the fourteen gaps worsened.

Table 5:

South East: Municipal property tax gap ratios and municipal taxes for \$200,000 of assessed value

Municipality	Total municipal commercial taxes per \$200,000	Total municipal residential taxes per \$200,000	2012 Municipal Tax Gap	2011 Municipal Tax Gap	2011 to 2012
Moosomin	\$6,520	\$2,499	2.61	2.61	=
Pilot Butte	\$4,075	\$1,660	2.45	2.50	✓
Carlyle	\$4,810	\$2,184	2.20	2.39	✓
Davidson	\$7,275	\$3,474	2.09	2.08	✗
Oxbow	\$5,350	\$2,575	2.08	2.09	✓
Carnduff	\$5,026	\$2,815	1.79	1.91	✓
Fort Qu'Appelle	\$4,200	\$2,772	1.52	1.52	=
Kipling	\$3,300	\$2,180	1.51	1.54	✓
Balgonie	\$2,822	\$1,974	1.43	1.43	=
Indian Head	\$3,700	\$2,590	1.43	1.43	=
Lumsden	\$2,669	\$1,868	1.43	1.43	=
Regina Beach	\$2,373	\$1,817	1.31	1.32	✓
Grenfell	\$3,400	\$2,590	1.31	1.32	✓
White City	\$1,990	\$1,588	1.25	1.18	✗
Average	\$4,108	\$2,328	1.74	1.77	✓
* gap worsened ✓ gap improved = gap same					

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Moosomin has highest municipal property tax gap - 3rd year in a row

In 2012 Moosomin had the largest municipal tax gap in the region at 2.61, the same figure as in 2011. The large gap can be attributed to Moosomin having the highest commercial mill rate factor in the region, which is almost 83 per cent higher than its residential mill rate. Pilot Butte and Carlyle were close behind with municipal tax gaps of 2.45 and 2.20 respectively, which represent improvements from 2011 for both.

Davidson has highest commercial municipal property tax bill - 2nd year in a row

Davidson had the region’s highest commercial municipal property tax bill at \$7,275, a 7.5 per cent increase from 2011 when it also led the region. Davidson’s commercial property tax bill is over 265 per cent larger than White City, which has the lowest in the region at \$1,990. Close behind Davidson was Moosomin, where commercial property owners paid \$6,520 in municipal property taxes for \$200,000 of assessed value. Oxbow (\$5,350), Carnduff (\$5,026) and Carlyle (\$4,810) were also well above the regional average of \$4,108.

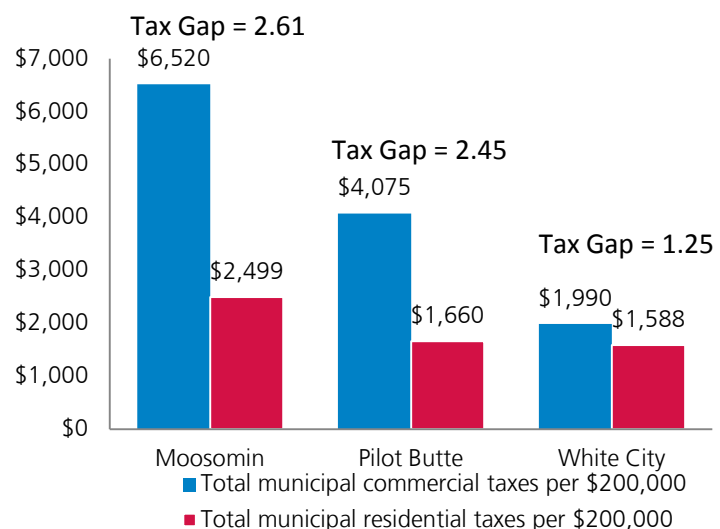
White City has lowest municipal property tax gap in South East - 2nd year in a row

Eleven of the fourteen municipalities had municipal tax gaps below the provincial average, ranging from 1.25 to 2.09. White City not only had the lowest municipal property tax gap in the region, but the second lowest in the entire province at 1.25 (see Appendix A). White City achieves a small gap by not using mill rate factors to overburden businesses and by maintaining the lowest municipal mill rate in the region. Grenfell, Indian Head, Kipling and Lumsden also chose not to apply mill rate factors and all had property tax gaps less than 1.60.

White City has the lowest commercial municipal property tax bill in South East and 2nd lowest in the province

Another measure on which the municipalities in the South East region performed exceptionally well was the value of their municipal commercial property tax bills. Eleven of the fourteen urban municipalities were below the provincial average of \$5,264. These low bills are due to a below average mill rate of 14.68 compared to the provincial average of 17.56, and also a relatively small average commercial mill rate

Figure 4:
South East: Commercial vs. residential municipal property taxes for \$200,000 of assessed value



Source: CFB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

factor of 1.24. White City had the lowest commercial municipal tax bill in the region at \$1,990, which represents almost a 20 per cent decrease from 2011. White City achieved the lowest municipal tax bill by maintaining the lowest municipal mill rate in the region at 6.70 and cutting its base tax from \$1,240 in 2011 to \$650 in 2012 (see Appendix H-3).

Central West

In 2011 the fifteen municipalities included in the Central West region had a municipal tax gap of 1.94. For this year's report sixteen municipalities were considered - Warman was reclassified as a city and removed from this section; and, based on the 2011 Census it was decided to add the towns of Osler and Waldheim because their populations now exceed one thousand. Between these sixteen municipalities the region's average municipal tax gap improved to 1.88, although of the fourteen municipalities studied in both 2011 and 2012, there was no change in the average municipal tax gap which remained at 1.96. This implies that the overall improvements made in the region were due to adding Osler and Waldheim to the study (see Table 6).

Ten of the municipalities studied either maintained their municipal tax gap from 2011 or saw minor increases or decreases of 0.01. Eston and Outlook were the only towns to see a noticeable improvement in their tax gaps, although overall both of their gaps remained as two of the three worst in the region. Macklin had the largest municipal tax gap increase in the region, a worrisome trend that has seen the municipality's tax gap increase by almost 10 per cent over two years. As can be seen in Figure 5 the municipal property tax gaps in the Central West region are extremely variable among municipalities as Eston, which has the largest in the region, is over 150 per cent larger than Dalmeny, which has the lowest.

Table 6:

Central West: Municipal property tax gap ratios and municipal taxes for \$200,000 of assessed value

Municipality	Total municipal commercial taxes per \$200,000	Total municipal residential taxes per \$200,000	2012 Municipal Tax Gap	2011 Municipal tax Gap	2011 to 2012
Eston	\$13,595	\$4,555	2.98	3.03	✓
Macklin	\$5,200	\$1,980	2.63	2.50	✗
Outlook	\$5,900	\$2,275	2.59	2.71	✓
Rosetown	\$7,458	\$3,091	2.41	2.41	=
Wilkie	\$7,275	\$3,126	2.33	2.33	✓
Kerrobert	\$5,861	\$2,813	2.08	2.09	✓
Kindersley	\$5,396	\$2,844	1.90	1.89	✗
Rosthern	\$4,582	\$2,466	1.86	1.86	=
Langham	\$3,490	\$1,990	1.75	1.73	✗
Unity	\$4,345	\$2,641	1.65	1.65	=
Biggar	\$4,000	\$2,800	1.43	1.43	=
Osler*	\$3,020	\$2,220	1.36	N/A	N/A
Lanigan	\$4,050	\$3,060	1.32	1.33	✓
Watrous	\$3,100	\$2,410	1.29	1.30	✓
Waldheim*	\$1,500	\$1,200	1.25	N/A	N/A
Dalmeny	\$2,950	\$2,470	1.19	1.20	✓
Warman*	N/A	N/A	N/A	1.62	N/A
Average	\$5,108	\$2,716	1.88	1.94	✓
✗ gap worsened ✓ gap improved = gap same					

Source: CFI calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

*Osler and Waldheim were added to the Central West while Warman was moved to the City section to reflect population data from the 2011 census

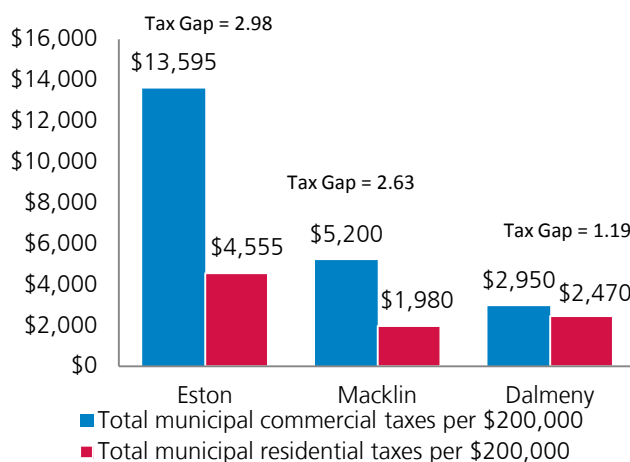
Eston has highest municipal tax gap and highest commercial municipal tax bill – 3rd year in a row

In the Central West region, Eston displayed the highest municipal tax gap for the third year in a row with businesses paying \$2.98 in municipal taxes for every dollar paid by residents for \$200,000 of assessed value. This was due to Eston maintaining the highest municipal mill rate in the region. Macklin had the second highest municipal property tax gap in the region at 2.63, which was a result of the highest municipal mill rate factor in the region at 3.00.

Eston also had the highest commercial municipal tax bill in both the region and the province at \$13,595 (double the provincial average of \$5,264). Rosetown had the second highest municipal property tax bill of \$7,458 for \$200,000 of assessed value, followed by Wilkie at \$7,275 (see Table 6),

Figure 5:

Central West: Commercial vs. residential municipal property taxes per \$200,000 of assessed value



Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Dalmeny has lowest tax gap for 3rd straight year

Dalmeny has the distinction of having the lowest tax gap in the region for the third consecutive year at 1.19, which is also the lowest gap in the province. Five municipalities, Waldheim, Watrous, Lanigan, Osler and Biggar followed closely with tax gaps of 1.25, 1.30, 1.32, 1.36 and 1.43, respectively (see Table 6). These lower municipal property tax gaps can be attributed to the absence of mill rate factors in five of the six municipalities combined with municipal mill rates of less than 12.00 in four of the six.

Waldheim has lowest commercial municipal property tax bill in the province

With a commercial property tax bill of just \$1,500 Waldheim had the lowest bill in the

Table 7:

Central East: Municipal property tax gap ratios and municipal taxes for \$200,000 of assessed value

Municipality	Total municipal commercial taxes per \$200,000	Total municipal residential taxes per \$200,000	2012 Municipal Tax Gap	2011 Municipal tax Gap	2011 to 2012
Kamsack	\$11,414	\$2,703	4.22	4.67	✓
Wadena	\$7,638	\$2,379	3.21	3.23	✓
Wynyard	\$5,438	\$1,969	2.76	2.86	✓
Esterhazy	\$7,880	\$3,621	2.18	2.17	✗
Foam Lake	\$11,440	\$5,600	2.04	2.04	=
Preeceville	\$4,447	\$2,262	1.97	1.98	✓
Kelvington	\$2,350	\$1,450	1.62	1.62	=
Canora	\$5,600	\$3,920	1.43	1.43	=
Langenburg	\$3,360	\$2,580	1.30	1.31	✓
Average	\$6,619	\$2,943	2.30	2.37	✓

* gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

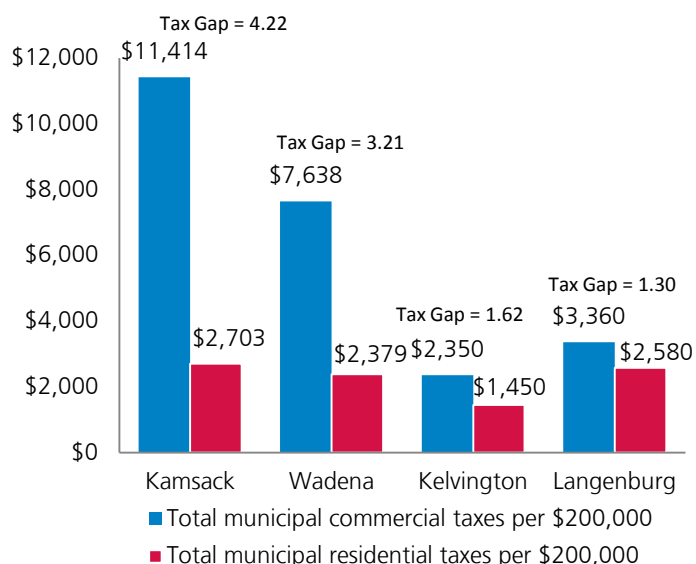
region and the province. Dalmeny had the next smallest bill in the region at \$2,950.

Central East

On average, business owners in the Central East region of the province paid more than double (2.30) the amount of municipal property taxes paid by residential property owners in 2012 (see Table 7). While still among the highest regional averages, the Central East as a whole did improve its municipal tax gap from 2011 when it was 2.37 and actually saw a slight decrease in the average commercial municipal tax bill. Municipal property tax gaps in the region improved in five municipalities; progress from 2011 when only three municipalities showed improvement.

Figure 6:

Central East: Commercial vs. residential municipal property taxes per \$200,000 of assessed value



Kamsack has highest municipal property tax gap and Foam Lake has the highest commercial municipal property tax bill

In 2011 Kamsack had the highest municipal tax gap in the province at 4.67 and the highest commercial municipal tax bill in the region at \$12,630 for a \$200,000 assessment. In 2012, the commercial municipal mill rate factor decreased by over 10 per cent which resulted in the municipal tax gap improving to 4.22 and the commercial municipal tax bill falling to \$11,414. While the municipal tax gap remains by far the

highest in the province, the improvements made in 2012 have begun to address the inequality in the region. Wadena (3.21) and Wynyard (2.76) also had municipal tax gaps well above the regional average of 2.30. In both cases the main contributing factor to the high municipal tax gaps was the use of commercial municipal mill rate factors that were almost twice as large as their residential counterparts.

Foam Lake has the distinction of the highest commercial municipal tax bill in the region for a \$200,000 assessment at \$11,440. This was a result of using the highest municipal mill rate in the province and one of the highest commercial mill rate factors in the region. Esterhazy (\$7,880) and Wadena (\$7,638) also had high municipal tax bills; in both cases the municipalities instituted high municipal mill rates and imposed a \$600 base tax on commercial properties.

Langenburg has lowest municipal property tax gap and Kelvington has lowest commercial municipal property tax bill – 2nd year in a row

As can be seen in Figure 6, Langenburg had the lowest municipal property tax gap in 2012 at 1.30. Langenburg achieved this rate through a low municipal mill rate and an absence of mill rate factors. Similarly, Canora (1.43) and Kelvington (1.62) did not use mill rate factors in 2012 and had the next two lowest municipal tax gaps in the region. The lowest tax bill in the region belonged to Kelvington with a value of \$2,350 for a \$200,000 assessment. Langenburg had the next lowest commercial tax bill at \$3,360. There was tremendous variability of commercial municipal tax bills within the Central East as a commercial property owner in Foam Lake paid almost five times as much in municipal taxes as a commercial property owner in Kelvington. Meanwhile residential property owners had to pay four times as much in municipal taxes in Foam Lake, which had the highest residential bill in the region, than in Kelvington, which had the lowest.

North

In 2011 six municipalities were included in the North region and on average business owners paid two and a half times more municipal property taxes than residents. In 2012, based on population growth shown in the 2011 Census, four new municipalities were added for the North region: Birch Hills, Creighton, La Ronge and Maidstone. Overall the average municipal tax gap for the region improved to 2.34. The majority of this improvement can be attributed to the addition of the four new municipalities as among the six municipalities considered in both years the average municipal tax gap only improved to 2.48. In 2012, Shellbrook and Nipawin were the only municipalities to improve their gap while Hudson Bay and Carrot River maintained their gaps. Shellbrook had the greatest improvement in the region, which was achieved by increasing residential municipal mill rate factors while decreasing commercial mill rate factors (see Table 8).

Table 8:

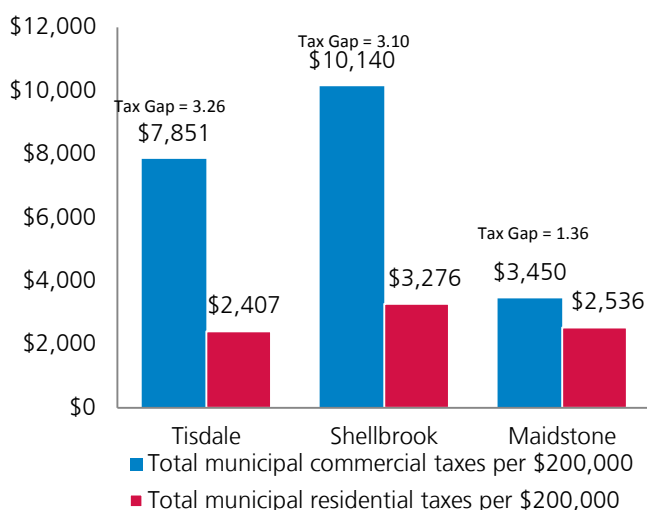
North: Municipal property tax gap ratios and municipal taxes for \$200,000 of assessed value

Municipality	Total municipal commercial taxes per \$200,000	Total municipal residential taxes per \$200,000	2012 Municipal Tax Gap	2011 Municipal tax Gap	2011 to 2012
Tisdale	\$7,851	\$2,407	3.26	3.22	x
Shellbrook	\$10,140	\$3,276	3.10	3.24	✓
Birch Hills*	\$9,240	\$3,080	3.00	N/A	N/A
Nipawin	\$4,993	\$1,934	2.58	2.61	✓
Carrot River	\$8,280	\$3,220	2.57	2.57	=
Creighton*	\$4,050	\$1,890	2.14	N/A	N/A
La Ronge*	\$4,925	\$2,445	2.01	N/A	N/A
Battleford	\$3,108	\$1,826	1.70	1.69	x
Hudson Bay	\$3,092	\$1,890	1.64	1.64	=
Maidstone*	\$3,450	\$2,536	1.36	N/A	N/A
Average	\$5,913	\$2,450	2.34	2.50	✓
x gap worsened ✓ gap improved = gap same					

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Birch Hills, Creighton, La Ronge and Maidstone were added to the North section to reflect population data from the 2011 census

Figure 7:
North: Commercial vs. residential municipal property taxes for \$200,000 of assessed value



Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Tisdale has highest municipal property tax gap

Among the Northern municipalities, Tisdale had the highest municipal property tax gap at 3.26 (above the provincial average of 2.14). This can be attributed to Tisdale using the region's highest commercial mill rate factor and lowest residential mill rate factor. Shellbrook (3.10), Birch Hills (3.00), Nipawin (2.58) and Carrot River (2.57) also had higher than average municipal tax gaps due to either commercial mill rate factors over 1.80 in four of the five municipalities or, as in Shellbrook, using the 2nd highest mill rate in the province.

Shellbrook has the highest commercial property tax bill - 2nd year in a row

For the second consecutive year Shellbrook had the region's highest commercial property tax bill at \$10,140 for a \$200,000 assessment (fourth highest in the province). After having the highest municipal mill rate in the region for 2011, Shellbrook increased its municipal mill rate by two points, making it nearly 70 per cent higher than Carrot River's, which had the second highest rate in the region. Birch Hills (\$9,240), Carrot River (\$8,280) and Tisdale (\$7,851) followed Shellbrook with the highest commercial municipal tax bills.

Maidstone has lowest municipal property tax gap

Based on a \$200,000 assessment, Maidstone (1.36), Hudson Bay (1.64) and Battleford (1.70) had the lowest municipal property tax gaps in the region and were the only municipalities to have tax gaps lower than 2.00. Not coincidentally, these municipalities also had the three lowest commercial municipal mill rate factors in the region.

Hudson Bay has the lowest commercial municipal property tax bill - 2nd year in a row

Hudson Bay achieved the lowest commercial municipal tax bill for the second consecutive year with a bill of \$3,092 (well below the provincial average of \$5,264). Battleford and Maidstone were close behind with commercial municipal tax bills of \$3,108 and \$3,450, respectively.

No appetite for Municipal Property Tax Hikes

Small business owners work hard to live within their means and count on their local governments to do the same. CFIB is concerned many Saskatchewan municipalities will continue on the path of unsustainable spending and introduce property tax hikes in 2014 to cover their costs. Such tax hikes continue to erode the savings from the education property tax relief delivered by the province to small business owners and their customers.

In 2013-2014 the Government of Saskatchewan committed one full point of the Provincial Sales Tax (PST) or \$264.4 million to municipalities through the Municipal Operating Grant (MOG). This is an increase of 11.4 per cent from the previous year and **108 per cent** from 2007-2008 levels (see Table 9).

With the province providing this long-term, sustainable and predictable revenue sharing, municipalities should use this new revenue prudently and avoid property tax hikes in 2014.

In total, the 69 municipalities CFIB studied in this report saw municipal revenue sharing to their communities increase by 158 per cent since 2007-2008 (Table 10). Regionally, Saskatchewan cities received the largest increase at 162 per cent, followed by the North and South East regions at 151 per cent and 143 per cent, respectively. While municipal revenue sharing has increased significantly, CFIB is concerned that many municipalities across Saskatchewan continue to hike property taxes – which eats into provincial education property tax relief.

Table 9:

Provincial-municipal revenue sharing commitments for the past five years

Saskatchewan Municipalities	2007-08 Municipal Operating Grant	2013-14 Revenue Sharing Estimate	% Increase in Revenue Sharing
Urban	\$67.4 M	\$170.0 M	152%
Rural	\$49.6 M	\$74.7 M	51%
Northern	\$10.2 M	\$19.7 M	94%
Total	\$127.3 M	\$264.4 M	108%

Source: Government of Saskatchewan, Ministry of Government Relations.

Table 10:

Municipal revenue sharing by region

Region	2007-2008 Municipal Operating Grant	2013-14 Revenue Sharing Estimate	Overall Increase in Revenue Sharing	% Increase in Revenue Sharing
Cities	\$47,590,378	\$124,607,863	\$77,017,485	162%
South West	\$852,408	\$1,897,059	\$1,044,651	123%
South East	\$1,979,590	\$4,802,035	\$2,822,445	143%
Central West	\$2,703,083	\$6,390,844	\$3,687,761	136%
Central East	\$1,369,400	\$3,102,263	\$1,732,863	127%
North	\$2,811,443	\$7,044,148	\$4,232,705	151%
Total	\$57,306,302	\$147,844,212	\$90,537,910	158%

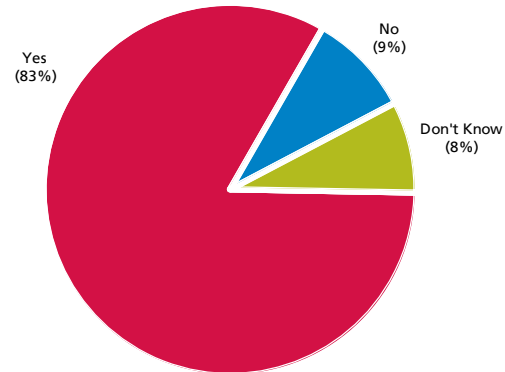
Source: Government of Saskatchewan, Ministry of Government Relations.

A 2011 CFIB survey found 83 per cent of Regina small business owners said given this additional revenue, municipalities should avoid a property tax increase in 2011 (see Figure 8). There currently is not the appetite among small business owners to take another hit to their bottom line when the province has provided long-term, sustainable and predictable revenue sharing with municipalities.

A National Post column by Kevin Libin also expands on why there is no appetite: *Why a backward approach makes city taxes go higher.*

Figure 8:

The provincial government has committed one per cent of the PST to Saskatchewan municipalities in 2011. Given this additional revenue, should municipalities avoid a property tax increase in 2011?



Source: CFIB Focus on Saskatchewan, October 2010

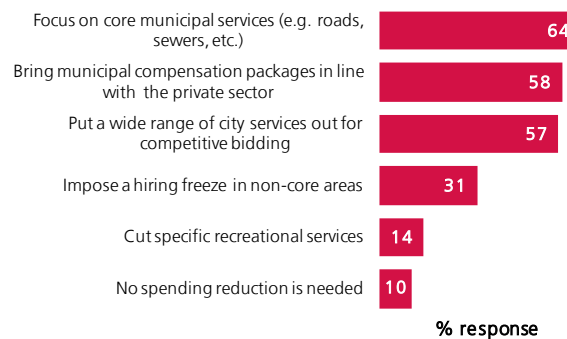
"Federal and provincial politicians would be mad to think taxpayers would shrug at a raise in income or corporate taxes by several percentage points year after year. Only, it seems, in our cities – where the average family drops roughly 10% of its tax dollars – do we take a bigger yearly grab for granted."
 -Kevin Libin, National Post

How should municipalities ensure sustainable spending?

In 2013 CFIB released a report on municipal spending, *Big City Spenders*, analyzing municipal spending in Canada's largest cities including Vancouver, Toronto and Montreal and in Canadian municipalities overall. The report highlights that municipal spending is vastly outpacing the rate of population growth. Municipal officials everywhere claim they lack sufficient revenue and that they need to increase taxes; but our research shows the real problem is overspending.

Figure 9:

How should municipalities reduce spending?



Source: CFIB Focus on Saskatchewan, October 2010

When asked how Saskatchewan municipalities could ensure sustainable spending, 64 per cent of Saskatchewan small business owners say municipalities should focus on core municipal services (e.g. roads, sewers, etc). Another 58 per cent say municipal compensation should be brought in line with similar occupations in the private sector. Fifty-seven per cent of business owners say a wide range of city services should be put out for competitive bidding and 31 per cent say

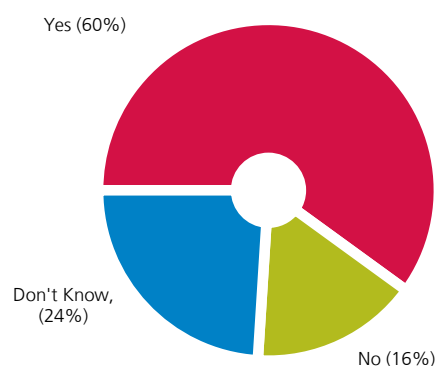
municipalities should impose hiring freezes in non-core areas. Only 10 per cent of respondents believe no spending restraint is needed (see Figure 9).

A plan to reduce the size and cost of the municipal civil service

The 2010 Saskatchewan Budget introduced a plan to reduce the size of the provincial civil service by 15 per cent over four years through attrition. In fact, the 2013-14 provincial budget eliminated an additional 600 positions (\$16 million in savings). This initiative will bring the four year total to 1,909 positions with annualized cumulative savings to \$198 million. Had the provincial government not taken this important step toward an efficient public service, it could be running a deficit. The provincial government is urging all governments and third party partners to do more with less and find efficiencies. CFIB believes municipalities can most effectively achieve this by reducing the size and cost of their civil service, through attrition and pension reform.

Figure 10:

Should Saskatchewan municipalities introduce a plan to reduce the size of their civil service?



Source: CFIB Mandate Survey 239, July 2010

A recent CFIB survey reveals 60 per cent of Saskatchewan respondents agree Saskatchewan municipalities should introduce a plan to reduce the size of their civil service. Supporters say it would result in smaller, more effective and efficient municipal governments. Only 16 per cent disagree, while 24 per cent are undecided on the issue (see Figure 10).

CFIB also believes municipalities should develop a long-term strategy to narrow the wages/benefits disparity between public and private sector employees. It is a fiscally worthwhile goal. Some will say that every efficiency has been identified and that every stone has been turned. However, one missing part of the debate is the costs associated with public sector wages and benefits. CFIB's *Wage Watch* report, which is based on census data, shows that there is a large disparity in wages and benefits in favour of the public sector when comparing similar jobs in the private sector. The results show, on average, municipal government workers in Saskatchewan earn 21 per cent more than their private sector counterparts in the same job, when pensions and benefits are added.

This is an important issue CFIB continues to raise at the federal, provincial and municipal levels across the country. In fact, CFIB's pre-budget submissions to both the federal and provincial governments include a recommendation to commit to bringing their public sector wages and benefits more in line with their private-sector counterparts.

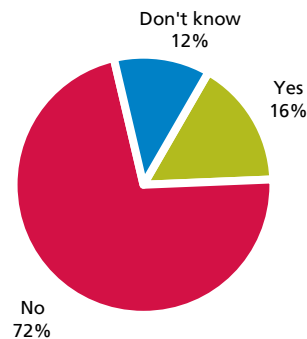
Until governments at all levels get serious about tackling this key component of their budgets, we fear we will continue to see unsustainable levels of spending.

Saskatchewan business owners say ‘no’ to expanding taxing authority or new provincial taxes to fund infrastructure

While our Saskatchewan members recognize the fiscal pressures Canadian municipalities face, they are opposed to municipalities gaining authority for new sources of revenue such as a municipal fuel or hotel tax, a local vehicle registration surcharge, a land transfer tax, or even a sales or income tax.

When CFIB surveyed its members on whether municipalities should have the authority to levy a range of new taxes in addition to property taxes, a significant 72 per cent disagree and only 16 per cent agree. Another 12 per cent do not know (see Figure 11).

Figure 11: Should Saskatchewan municipalities be given the authority to levy new taxes?

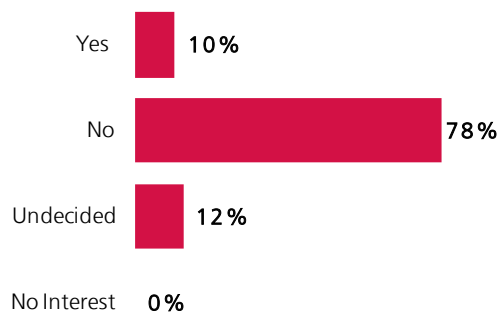


Source: CFIB Mandate Survey #227, August 2007

We understand governments in Saskatchewan are facing increasing demands to fix roads, bridges, sewer and water facilities. It has been suggested that a new provincial property tax be levied on business and residential properties. The revenues from this tax would be used only towards infrastructure expenditures.

CFIB recently surveyed its members on whether the government of Saskatchewan should introduce a province wide property tax levy on business and residential properties to fund infrastructure. A strong majority (78 per cent) of Saskatchewan respondents oppose a province wide property tax levy to fund infrastructure, as it would increase the overall tax burden on businesses and residents. They also believe an additional tax is unnecessary; government

Figure 12: Should the government of Saskatchewan introduce a province wide property tax levy on business and residential properties to fund infrastructure?



Source: CFIB Mandate Survey #245 – July 2012

should use existing funds more efficiently and effectively. Only 10 per cent of respondents support such a policy and believe it would provide a new revenue stream to invest in ageing road and infrastructure. They also believe it would result in better infrastructure which in turn supports business development (see Figure 12).

In 2012 CFIB surveyed its members to see if there was support for increasing the PST to 6 per cent to provide additional revenue to Saskatchewan municipalities. A strong majority of members (76 per cent) indicated that they were opposed to such an increase, which would increase their cost of doing business and hurt their competitiveness. Only 16 per cent of CFIB members indicated their support for such an increase (see Figure 13).

As Saskatchewan's economy grows, so too will the revenue share to municipalities. Therefore it is not acceptable for municipalities to continually increase taxes. It must be remembered that while there are three levels of government, there is only one taxpayer.

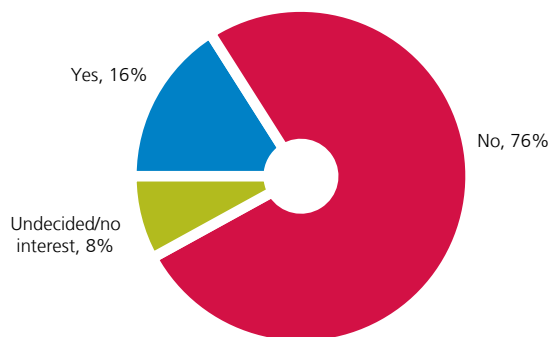
Recommendations for sustainable municipal spending:

With the province providing long-term, sustainable and predictable revenue sharing, CFIB believes municipalities should use this revenue prudently and work to avoid property tax hikes by acting on a number of the following key recommendations to further contain costs:

1. **Develop and implement a plan over time to reduce the commercial- to-residential property tax gap.** It is of note that in 2000, Saskatoon committed to a strategic 10 year plan to reduce its property tax gap from 2.36 to 1.75, a 25 per cent reduction. In 2010, the City of Saskatoon achieved this goal and has proven it can be done. At its April 8, 2013 meeting Saskatoon City Council received a report from Administration recommending that the Municipal Tax Policy Ratio between commercial and residential properties be shifted from the current 1.75 to 1.43 over an eight year period. As changes to the current tax policy cannot come into effect until 2014 or later, Administration recommended delaying deliberation of the recommendation until October, 2013 to allow more time for citizens to become familiar with the information and consult with the Councillors.
2. **Limit year- over- year spending growth to a maximum of inflation plus population growth and ensure the funds from the Province's Municipal Operating Grant are used prudently.**

Figure 13:

Should the Saskatchewan PST rate be increased to provide additional revenue for Saskatchewan municipalities?



Source: CFIB Mandate Survey #249, December 2012

3. **Review current programs and services with a view to identifying programs and service areas that can be eliminated, streamlined, contracted out to the private sector, or sold.** CFIB commends those municipalities that have conducted Core Services Reviews. CFIB believes the municipalities should focus on delivering core services (roads, sewers) and continue to look for ways to deliver these services more efficiently and effectively.
4. **Reduce the size and cost of the municipal civil service.**
 - ▶ Introduce a plan to reduce the size of the civil service (primarily through attrition) and pension reform.
 - ▶ Develop a long-term strategy to narrow the wages/benefits disparity (21.0 per cent) between public and private sector employees.
5. **Work toward additional revenue sharing, rather than new taxing authority or provincial tax increases to finance municipal infrastructure (e.g. penny tax, vehicle tax).** CFIB is concerned some municipal leaders continue to call for new taxing authority for alternative revenue sources such as a penny tax, local fuel tax, a local vehicle registration surcharge, a share land transfer tax, a hotel tax and/or a local sales tax. Small business owners also believe a provincial tax increase such as a Vehicle Tax or a provincial property tax levy is unnecessary and has called on the Government of Saskatchewan to reject calls for such tax increases.
6. **Consider the introduction of a base tax for all homeowners.** Currently 50 of the 69 municipalities studied in this report have a base tax. When surveyed, 70 per cent of small business owners agreed a base tax for basic core services should be implemented for all homeowners. CFIB believes that local government services are enjoyed by all taxpayers and the costs must be shared by all taxpayers.

Education Property Taxes

For years, small business owners have raised their concerns with the high property taxes in Saskatchewan – particularly, high education taxes.

Prior to 2009, individual school divisions set education property tax mill rates to fund their education systems and had the ability to apply these mill rate factors to different property classes. This resulted in Saskatchewan’s education system being increasingly funded by property taxes and the proportion of education funding generated from property taxes being among the highest in Canada. The legal authority to levy property taxes by setting mill rates and applying mill rate factors complicated the province’s education property tax system and created disparities between the amount paid by commercial and residential property owners across the province.

CFIB is pleased the Province of Saskatchewan took important steps toward reforming education financing in 2009. As of April 1, 2009, the provincial government assumed the responsibility of setting province-wide education property tax mill rates for each of the three major property classes; residential, commercial, and agricultural. The residential and agricultural property classes use fixed rates; while the commercial property class consists of three tiers related to assessed property value (see Table 11).

Table 11:

Saskatchewan education mill rates, 2009-2013

Property Class	2009	2010	2011	2012	2013
Agricultural	7.08	7.08	3.91	3.91	2.67
Residential	10.08	10.08	9.51	9.51	5.03
Commercial	N/A	N/A	N/A	N/A	8.28
Commercial Tier 1 (< \$500,000)	12.25	12.25	12.25	12.25	N/A
Commercial Tier 2 (\$500,000 to \$5,999,999)	15.75	15.75	14.75	14.75	N/A
Commercial Tier 3 (> \$6,000,000)	18.55	18.55	18.55	18.55	N/A
Resource	N/A	N/A	N/A	N/A	11.04

Source: Government of Saskatchewan, 2013.

The provincially set mill rates apply to all public school divisions, but separate school divisions retain the constitutional authority to levy their own property taxes to fund their educational system. In effect, the education tax rate changes created a fairer and more equitable education property tax system, and resulted in education tax savings for Saskatchewan taxpayers. In 2011, the amount of tax savings increased by \$55.6 million because of mill rate reductions¹⁶. Education mill rates were further reduced for all property owners in 2013 to account for the 67 per cent increase in overall property values over the past four years (see table 11). While some properties may see a higher tax bill in 2013, it will be due to reassessments not education mill rates, which are intended to be revenue neutral.¹⁷ In conjunction with setting universal education mill rates, the provincial government also increased education funding. In 2009, the province boosted education financing by \$241 million, funding 63 per cent of the operating costs

¹⁶ Saskatchewan Provincial Budget Summary 2011- 2012.

¹⁷ Saskatchewan Provincial Budget Summary 2013- 2014

for Pre-kindergarten to Grade 12 education¹⁸, and in 2011, 65 per cent of Saskatchewan's education system was funded by the province¹⁹. In the 2013/2014 budget, the Saskatchewan government committed an additional \$107.5 million toward education operating costs²⁰.

CFIB will lobby the provincial government to continue to finance a greater portion of education through general revenues by introducing further reductions to the commercial education mill rate.

¹⁸ *Saskatchewan Provincial Budget Summary 2009- 2010.*

¹⁹ *Saskatchewan Provincial Budget Summary 2011- 2012.*

²⁰ *Saskatchewan Provincial Budget Summary 2013- 2014.*

Total Property Taxes (Municipal + Education) Across the Province

Calculating the Education Property Tax Gap

The education property tax gap for each municipality is calculated as the total education property tax bill for a commercial property divided by the bill for a residential property. The basic calculation of education property taxes is as follows:

Education Property Taxes =	Assessed Value	X	Provincial Percentage	X	Education Mill Rate
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Consider two properties valued equally at \$200,000 in the city of Estevan, one being residential and the other being commercial. In 2012, the provincially-set education mill rate for residential property was 9.51 per \$1,000 of taxable property. The commercial education mill rate for properties with a taxable assessment of less than \$500,000 was 12.25.

Thus, the resulting education tax gap for the city of Estevan is 1.84 (see Table 12). Commercial property owners paid \$1,119 more in education property taxes than residential property owners in Estevan for the 2012 tax year.

Education property tax bills of \$1,331 (residential) and \$2,450 (commercial) are applicable to all municipalities because the education mill rate does not change across Saskatchewan.

Table 12:

Calculating the education property tax gap in Estevan

	<i>Residential</i>	<i>Commercial</i>
Assessed Value	\$200,000	\$200,000
X Provincial percentages	0.7	1.0
Taxable property	\$140,000	\$200,000
X Education Mill rate (per \$1,000)	9.51	12.25
=	\$1,331	\$2,450
Total education tax bill	\$1,331	\$2,450
Education property tax gap		1.84

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Calculating the Total Property Tax Gap

After determining education taxes, a property's total property tax bill is calculated as the addition of municipal property taxes and education property taxes. The total property tax gap for each municipality is the total property tax bill for a commercial property divided by the bill for a residential property.

Consider, yet again, a commercial and residential property valued at \$200,000 in Estevan. When combining municipal

Table 13:

Calculating the total property tax gap in Estevan

	<i>Residential</i>	<i>Commercial</i>
Municipal Property Tax Bill	\$1,606	\$3,601
Education Property Tax Bill	\$1,331	\$2,450
=	\$2,937	\$6,051
Total Property Tax Bill	\$2,937	\$6,051
Total property tax gap		2.06

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

and education property taxes, residential property owners in Estevan paid a total tax bill of \$2,937 while commercial property owners paid \$6,051 in taxes for a property of the same value (see Table 13). The resulting total property tax gap for the city of Melville is 2.06; therefore, commercial property owners pay \$2.06 for every \$1.00 paid by residential property owners on a \$200,000 assessment.

Total Property Tax Highlights

In 2012 all commercial properties in Commercial Tier 1 (less than \$500,000) had an education mill rate of 12.25 applied, while residential mill rates were set at 9.51. This results in consistent residential and commercial education tax bills of \$1,331 and \$2,450, respectively, and a constant education property tax gap of 1.84.

It is important to note that in 2010, the education property tax gap was 1.74. The gap increased in 2011 as a result of the province lowering residential education mill rates to 9.51 from 10.08 in 2010, while leaving Commercial rates for Tier 1 constant (see Table 11). Also receiving significant education property tax relief was the agricultural property class, where mill rates dropped from 7.08 to 3.91 and Commercial Tier 2 where mill rates fell from 15.75 to 14.75.

Dalmeny has lowest total property tax gaps; Kamsack the highest

In all of Saskatchewan, Dalmeny tops the list with the lowest total property tax gap at 1.42 followed closely by Gravelbourg at 1.47 (see Appendix D). On the other hand, the total property tax gap in Kamsack is the highest in the province at 3.44. Rounding out the bottom of the list are Yorkton and Tisdale with total property tax gaps of 2.88 and 2.76, respectively.

Kamsack boasts most improved total property tax gap; Humboldt sees largest increase

The town of Kamsack was the most improved, reducing its gap by 0.30 from 3.74 in 2011 to 3.44 in 2012 (see Appendix F). Also making a significant improvement to their total property tax gap was Melville, which improved by 0.20. Unfortunately for business owners in Humboldt, the total property tax gap increased by 0.18 – the largest jump in the province, going from 2.51 in 2011 to 2.69 in 2012.

Waldheim has lowest total property tax bill; Eston the highest

Across Saskatchewan, total property taxes on a commercial property with an assessed value of \$200,000 ranged from as low as \$3,950 in Waldheim to \$16,045 in Eston, and the provincial average was \$7,714 (see Appendix E). In comparison, total residential property tax bills across the province ranged from \$2,531 to \$6,931 and the provincial average was \$3,790. Waldheim, White City, Kelvington and Regina Beach all had commercial property taxes below \$5,000. However, commercial property owners in Birch Hills, Shellbrook, Kamsack, Foam Lake and Eston were footing large total property tax bills over \$11,500.

Cities²¹

When including education taxes, commercial property owners in Saskatchewan's cities are subsidizing residential property owners by paying considerably more taxes. On average for a \$200,000 assessed property, businesses in Saskatchewan cities are paying 2.24 times more total property taxes than residents (see Table 14). This represents a small decrease from 2.26 in 2011, which is entirely due to Warman becoming a city in 2012. If Warman had been excluded from the city section in 2012, as it was in 2011, then commercial property owners in Saskatchewan cities would have paid \$2.27 in total property taxes for every dollar paid by residential owners, which would have been a slight increase. While Saskatchewan cities were evenly distributed with respect to increasing, maintaining or decreasing their municipal property tax gap, the total property tax gap increased in five of the fourteen cities and decreased in five. This represents an improvement from 2011 when eleven of the fourteen cities showed an increase in their municipal tax gap.

Yorkton has highest total property tax gap; Martensville the lowest – both for a 2nd year in a row

Yorkton tops the list as the worst offender in the region for 2012 with a total property tax gap of 2.88. While North Battleford and Weyburn were second and third respectively for the second year in a row, there was at least an effort to hold their gaps level. Humboldt and Melville followed close behind by having total tax gaps above 2.50; Humboldt led all cities in increases to the total tax gap as it rose from 2.51 to 2.69 while Melville had the largest decrease, from 2.72 to 2.52. Martensville leads the region

Table 14:

Cities: Total property tax gap ratios with municipal, education, and total taxes for \$200,000 of assessed value

Municipality	Property Class	2012 Municipal Taxes	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011 Total Tax Gap	2011-2012
Yorkton	Residential	\$1,638	\$1,331	\$2,969	2.88	2.90	✓
	Commercial	\$6,100	\$2,450	\$8,550			
North Battleford	Residential	\$2,061	\$1,331	\$3,392	2.73	2.73	=
	Commercial	\$6,795	\$2,450	\$9,245			
Weyburn	Residential	\$1,581	\$1,331	\$2,912	2.72	2.72	=
	Commercial	\$5,483	\$2,450	\$7,933			
Humboldt	Residential	\$2,087	\$1,331	\$3,418	2.69	2.51	*
	Commercial	\$6,742	\$2,450	\$9,192			
Melville	Residential	\$2,630	\$1,331	\$3,962	2.52	2.72	✓
	Commercial	\$7,518	\$2,450	\$9,968			
Prince Albert	Residential	\$2,516	\$1,331	\$3,847	2.38	2.31	*
	Commercial	\$6,690	\$2,450	\$9,140			
Swift Current	Residential	\$1,499	\$1,331	\$2,830	2.24	2.22	*
	Commercial	\$3,897	\$2,450	\$6,347			
Melfort	Residential	\$2,488	\$1,331	\$3,819	2.14	2.03	*
	Commercial	\$5,742	\$2,450	\$8,192			
Meadow Lake	Residential	\$2,514	\$1,331	\$3,845	2.06	2.10	✓
	Commercial	\$5,481	\$2,450	\$7,931			
Estevan	Residential	\$1,606	\$1,331	\$2,937	2.06	2.05	*
	Commercial	\$3,601	\$2,450	\$6,051			
Moose Jaw	Residential	\$1,966	\$1,331	\$3,297	1.97	1.98	✓
	Commercial	\$4,041	\$2,450	\$6,491			
Regina	Residential	\$1,905	\$1,331	\$3,236	1.90	1.90	=
	Commercial	\$3,716	\$2,450	\$6,166			
Warman*	Residential	\$1,714	\$1,331	\$3,045	1.82	N/A	N/A
	Commercial	\$3,082	\$2,450	\$5,532			
Saskatoon	Residential	\$1,588	\$1,331	\$2,919	1.81	1.81	=
	Commercial	\$2,846	\$2,450	\$5,296			
Martensville	Residential	\$1,799	\$1,331	\$3,130	1.68	1.69	✓
	Commercial	\$2,799	\$2,450	\$5,249			
Average	Residential	\$1,973	\$1,331	\$3,304	2.24	2.26	✓
	Commercial	\$4,969	\$2,450	\$7,419			

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

*Warman became a city in October 2012 and thus was not included with 2011 data for cities.

²¹ The city of Lloydminster moved to Alberta assessment procedures starting on January 1, 2005 and as a result has been excluded from the current survey. The city of Warman received city status on October 24, 2012 and as a result was added to the city section of the report.

with the lowest total tax gap at 1.68 while other municipalities including Saskatoon, Warman, Regina, and Moose Jaw all had gaps below 2.00. Meanwhile, businesses in the remaining five municipalities were paying between two and two and a half times the amount of property taxes paid by residents.

Melville has highest total commercial tax bill, Martensville the lowest – 3rd year in a row

Wide variations in total tax bills also existed among Saskatchewan cities. In Melville, a commercial property owner paid \$9,968 in total property taxes for a property assessed at \$200,000 while a residential property owner paid only \$3,962. The next highest total commercial tax bills belonged to North Battleford, Humboldt, Prince Albert, Yorkton, Melfort, Weyburn and Meadow Lake, ranging from \$7,931 to \$9,245 (see Table 14); all of which were greater than the city average of \$7,419. Martensville stood on the opposite spectrum with the lowest total commercial property tax bill at \$5,249, and Saskatoon, Warman, Estevan, Regina, Swift Current and Moose Jaw all came in below the average for Saskatchewan cities.

South West

In 2012 the five towns in Saskatchewan's South West that were studied improved their average total tax gap from 2011 but were unable to return to the levels of 2010. Overall, two of the five municipalities improved their total property tax gaps in 2012 while the remaining three towns kept their tax gaps constant (see Table 15). The net result was that the average total property tax gap for an assessment of \$200,000 decreased from 2.11 to 2.08.

Shaunavon has highest total property tax gap; Gravelbourg the lowest (2nd year in a row)

With only five municipalities, the South West is the smallest region in CFIB's review, but is still home to unequal taxation methods. In 2012, Shaunavon commercial property owners paid 2.44 times the amount of total property taxes paid by residential property owners for a property assessed at \$200,000. Maple Creek and Gull Lake also had total property tax gaps well above 2.00. Assiniboia and Gravelbourg had lower total property tax gaps of 1.78 and 1.47, respectively.

Table 15:

South West: Total property tax gap ratios with municipal, education, and total taxes for \$200,000 of assessed value

Municipality	Property Class	2012 Municipal Taxes	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011 Total Tax Gap	2011-2012
Shaunavon	Residential	\$2,301	\$1,331	\$3,633	2.44	2.44	=
	Commercial	\$6,420	\$2,450	\$8,870			
Maple Creek	Residential	\$2,475	\$1,331	\$3,806	2.39	2.48	✓
	Commercial	\$6,650	\$2,450	\$9,100			
Gull Lake	Residential	\$2,623	\$1,331	\$3,954	2.30	2.37	✓
	Commercial	\$6,661	\$2,450	\$9,111			
Assiniboia	Residential	\$3,742	\$1,331	\$5,074	1.78	1.78	=
	Commercial	\$6,584	\$2,450	\$9,034			
Gravelbourg	Residential	\$3,370	\$1,331	\$4,701	1.47	1.47	=
	Commercial	\$4,450	\$2,450	\$6,900			
Average	Residential	\$2,419	\$1,331	\$4,234	2.08	2.11	✓
	Commercial	\$6,153	\$2,450	\$8,603			
* gap worsened ✓ gap improved = gap same							

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Gull Lake has highest commercial total property tax bill; Gravelbourg the lowest

All but one of the total commercial property tax bills of South West municipalities were above the provincial average of \$7,714 (see Appendix E), which contributed to a high regional average of \$8,603. Gull Lake had the highest commercial total tax bill for \$200,000 assessed value at \$9,112; Maple Creek was almost as high at \$9,100.

Assiniboia and Shaunavon were also higher than the provincial average with commercial tax bills of \$9,034 and \$8,870, respectively. Meanwhile, Gravelbourg had the lowest commercial total property tax bill in the region at \$6,900. Although the lowest in the region, Gravelbourg's total tax bill only placed 32nd out of 69 municipalities on the provincial ranking (see Appendix E).

South East

The South East region had the lowest average total property tax gap at 1.78, a slight improvement from 2011 (see Table 16). This falls below the provincial average of 2.03, but inequality is still prevalent. Total property tax gaps worsened or stayed the same in 8 of the 14 municipalities, with White City's increase being the most significant from 1.43 in 2011 to 1.52 in 2012. Carlyle and Carnduff had the only significant improvements from 2011 to 2012 as their total tax gaps fell by 0.09 and 0.08, respectively.

Moosomin has highest total property tax gap; Grenfell the lowest

Moosomin had the highest total property tax gap in the region at 2.34 with Pilot Butte trailing close behind at 2.18. Moosomin utilized the same tax tools in 2012 as in 2011 despite having the worst total tax gap in the region, indicating a lack of effort to address this competitive challenge. Pilot Butte slightly lowered their total tax gap by increasing taxes on both residential and commercial properties, but with a greater increase placed on residential properties. In nine of the fourteen South East municipalities,

Table 16:

South East: Total property tax gap ratios with municipal, education, and total taxes for \$200,000 of assessed value

Municipality	Property Class	2012 Municipal Taxes	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011 Total Tax Gap	2011 - 2012
Moosomin	Residential	\$2,499	\$1,331	\$3,830	2.34	2.34	=
	Commercial	\$6,520	\$2,450	\$8,970			
Pilot Butte	Residential	\$1,660	\$1,331	\$2,991	2.18	2.19	✓
	Commercial	\$4,075	\$2,450	\$6,525			
Carlyle	Residential	\$2,184	\$1,331	\$3,515	2.07	2.16	✓
	Commercial	\$4,810	\$2,450	\$7,260			
Davidson	Residential	\$3,474	\$1,331	\$4,805	2.02	2.01	*
	Commercial	\$7,275	\$2,450	\$9,725			
Oxbow	Residential	\$2,575	\$1,331	\$3,906	2.00	2.00	=
	Commercial	\$5,350	\$2,450	\$7,800			
Carnduff	Residential	\$2,815	\$1,331	\$4,146	1.80	1.88	✓
	Commercial	\$5,026	\$2,450	\$7,476			
Kipling	Residential	\$2,180	\$1,331	\$3,511	1.64	1.66	✓
	Commercial	\$3,300	\$2,450	\$5,750			
Fort Qu'Appelle	Residential	\$2,772	\$1,331	\$4,103	1.62	1.62	=
	Commercial	\$4,200	\$2,450	\$6,650			
Lumsden	Residential	\$1,868	\$1,331	\$3,200	1.60	1.61	✓
	Commercial	\$2,669	\$2,450	\$5,119			
Balgonie	Residential	\$1,974	\$1,331	\$3,306	1.59	1.59	=
	Commercial	\$2,822	\$2,450	\$5,272			
Indian Head	Residential	\$2,590	\$1,331	\$3,921	1.57	1.57	=
	Commercial	\$3,700	\$2,450	\$6,150			
Regina Beach	Residential	\$1,817	\$1,331	\$3,149	1.53	1.54	✓
	Commercial	\$2,373	\$2,450	\$4,823			
White City	Residential	\$1,588	\$1,331	\$2,919	1.52	1.43	*
	Commercial	\$1,990	\$2,450	\$4,440			
Grenfell	Residential	\$2,590	\$1,331	\$3,921	1.49	1.49	=
	Commercial	\$3,400	\$2,450	\$5,850			
Average	Residential	\$2,328	\$1,331	\$3,659	1.78	1.79	✓
	Commercial	\$4,108	\$2,450	\$6,558			

* gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2012 property tax data from Government

Table 17:

Central West: Total property tax gap ratios with municipal, education, and total taxes for \$200,000 of assessed value

Municipality	Property Class	2012 Municipal Taxes	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011 Total Tax Gap	2011 to 2012
Eston	Residential	\$4,555	\$1,331	\$5,886	2.73	2.75	✓
	Commercial	\$13,595	\$2,450	\$16,045			
Outlook	Residential	\$2,275	\$1,331	\$3,606	2.32	2.37	✓
	Commercial	\$5,900	\$2,450	\$8,350			
Macklin	Residential	\$1,980	\$1,331	\$3,311	2.31	2.22	*
	Commercial	\$5,200	\$2,450	\$7,650			
Rosetown	Residential	\$3,091	\$1,331	\$4,423	2.24	2.24	=
	Commercial	\$7,458	\$2,450	\$9,908			
Wilkie	Residential	\$3,126	\$1,331	\$4,457	2.18	2.18	=
	Commercial	\$7,275	\$2,450	\$9,725			
Kerrobert	Residential	\$2,813	\$1,331	\$4,145	2.01	2.01	=
	Commercial	\$5,861	\$2,450	\$8,311			
Kindersley	Residential	\$2,844	\$1,331	\$4,175	1.88	1.88	=
	Commercial	\$5,396	\$2,450	\$7,846			
Rosthern	Residential	\$2,466	\$1,331	\$3,797	1.85	1.85	=
	Commercial	\$4,582	\$2,450	\$7,032			
Langham	Residential	\$1,990	\$1,331	\$3,321	1.79	1.78	*
	Commercial	\$3,490	\$2,450	\$5,940			
Unity	Residential	\$2,641	\$1,331	\$3,972	1.71	1.71	=
	Commercial	\$4,345	\$2,450	\$6,795			
Biggar	Residential	\$2,800	\$1,331	\$4,131	1.56	1.56	=
	Commercial	\$4,000	\$2,450	\$6,450			
Waldheim*	Residential	\$1,200	\$1,331	\$2,531	1.56	N/A	N/A
	Commercial	\$1,500	\$2,450	\$3,950			
Osler*	Residential	\$2,220	\$1,331	\$3,551	1.54	N/A	N/A
	Commercial	\$3,020	\$2,450	\$5,470			
Lanigan	Residential	\$3,060	\$1,331	\$4,391	1.48	1.49	✓
	Commercial	\$4,050	\$2,450	\$6,500			
Watrous	Residential	\$2,410	\$1,331	\$3,741	1.48	1.50	✓
	Commercial	\$3,100	\$2,450	\$5,550			
Dalmeny	Residential	\$2,470	\$1,331	\$3,801	1.42	1.43	✓
	Commercial	\$2,950	\$2,450	\$5,400			
Warman*	Residential	N/A	N/A	N/A	N/A	1.72	N/A
	Commercial	N/A	N/A	N/A			
Average	Residential	\$2,716	\$1,331	\$3,953	1.88	1.91	✓
	Commercial	\$5,108	\$2,450	\$7,558			
* gap worsened ✓ gap improved = gap same							

Source: CFB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

*Osler and Waldheim were added to the Central West while Warman was moved to the City section to reflect population data from the 2011 census

total property tax gaps were below 2.00. The lowest gaps were in Grenfell (1.49), White City (1.52) and Regina Beach (1.53).

Davidson has highest total commercial property tax bill; White City the lowest

The South East region had both high and low property tax bills in 2012. For commercial property owners, total property tax bills for an assessed value of \$200,000 ranged from \$4,440 in White City to \$9,725 in Davidson. In 2011, Davidson also had the highest total commercial property tax bill in South East Saskatchewan at \$9,179. This increase was entirely due to an increase in the municipal mill rate from 23.00, highest in the region in 2011, to 25.00 in 2012; Carlyle was the only other municipality in the region to institute an increase that large as it went from 16.5 to 18.5. While commercial property owners in the region saw a range of over \$5,000 in their potential tax bill, by comparison, residential property owners had a range of under \$2,000 with a maximum of \$4,805 in Davidson and a minimum of \$2,919 in White City.

Central West

In 2011 the fifteen municipalities that were included in the Central West

region were paying 1.91 times the amount of total property taxes paid by residents. The region lost one municipality in 2012 as Warman was reclassified as a city, while Osler and Waldheim were added based on their population growth shown in the 2011 Census. As a result the overall average for the region fell to 1.88. Although, of the fourteen municipalities studied in both 2011 and 2012 the total tax actually increased to 1.93. Furthermore, in seven of the fourteen municipalities the total tax gap remained constant from 2011 while it improved minimally in five municipalities, with Outlook showing the greatest improvement.

Eston has highest total property tax gap; Dalmeny has lowest gap in the province - 2nd year in a row

Eston had the greatest total property tax gap in the region at 2.73, while Outlook followed at 2.32. Macklin, Rosetown, Wilkie and Kerrobert had the next highest total property tax gaps, all above 2.00. The remaining ten municipalities had total property tax gaps below 2.00, with the lowest being Dalmeny at 1.42 - which is also the lowest in the province.

Eston has highest total commercial property tax bill; Waldheim the lowest

Eston had the highest commercial total property tax bill in both the Central West region and the entire province for the second consecutive year with a bill of \$16,045 for

Table 18:

Central East: Total property tax gap ratios with municipal, education, and total taxes for \$200,000 of assessed value

Municipality	Property Class	2012 Municipal Taxes	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011 Total Tax Gap	2011 - 2012
Kamsack	Residential	\$2,703	\$1,331	\$4,034	3.44	3.74	✓
	Commercial	\$11,414	\$2,450	\$13,864			
Wadena	Residential	\$2,379	\$1,331	\$3,710	2.72	2.71	✗
	Commercial	\$7,638	\$2,450	\$10,088			
Wynyard	Residential	\$1,969	\$1,331	\$3,300	2.39	2.44	✓
	Commercial	\$5,438	\$2,450	\$7,888			
Esterhazy	Residential	\$3,621	\$1,331	\$4,953	2.09	2.08	✗
	Commercial	\$7,880	\$2,450	\$10,330			
Foam Lake	Residential	\$5,600	\$1,331	\$6,931	2.00	2.00	=
	Commercial	\$11,440	\$2,450	\$13,890			
Preeceville	Residential	\$2,262	\$1,331	\$3,594	1.92	1.93	✓
	Commercial	\$4,447	\$2,450	\$6,897			
Kelvington	Residential	\$1,450	\$1,331	\$2,781	1.73	1.73	=
	Commercial	\$2,350	\$2,450	\$4,800			
Canora	Residential	\$3,920	\$1,331	\$5,251	1.53	1.54	✓
	Commercial	\$5,600	\$2,450	\$8,050			
Langenburg	Residential	\$2,580	\$1,331	\$3,911	1.49	1.49	=
	Commercial	\$3,360	\$2,450	\$5,810			
Average	Residential	\$2,943	\$1,331	\$4,274	2.14	2.18	✓
	Commercial	\$6,619	\$2,450	\$9,069			
✗ gap worsened ✓ gap improved = gap same							

Source: CFB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

\$200,000 of assessed value (see Appendix E). In comparison, a residential property owner in Eston paid \$5,886 in total property taxes for a property of the same value. Other high property tax bills were found in Rosetown, Wilkie, Outlook, Kerrobert, Kindersley and Macklin all of which charged businesses over \$7,500 in total property taxes (see Table 17). In contrast, commercial property owners in Waldheim paid only \$3,951, which was the lowest total property tax bill in the province. It was surprising to see the highest and lowest commercial tax bills in the province appearing in the same region, implying that the general geographic

location of a municipality may have a smaller correlation to tax bills and gaps as one might expect (see Appendix E).

Central East

On average, business owners in the Central East paid more than double the amount of total property taxes that residents paid. The average total property tax gap in the region was 2.14 (see Table 18), which is above the provincial average of 2.03 (see Appendix D). Overall the region made improvements from 2011 when the total tax gap was 2.18, and four municipalities lowered their total tax gap, including Kamsack which had the greatest improvement in the province.

Kamsack has largest total property tax gap; Langenburg the lowest - 3rd year in a row

With a total property tax gap of 3.44, Kamsack had the most lopsided total property tax gap in not only the region but the entire province for the second consecutive year (see Appendix D). Wadena, Wynyard and Esterhazy had the next highest total property tax gaps in the region at 2.72, 2.39 and 2.09, respectively. Foam Lake businesses paid two times the total property taxes paid by residents, while the total property tax gaps in Preeceville, Kelvington, Canora, and Langenburg were below 2.0.

Foam Lake has highest total tax bill; Kelvington the lowest

The Central East region was home to two of the highest commercial total tax bills in the province as Foam Lake (\$13,890) and Kamsack (\$13,864) had the second and third highest commercial tax bills among the sixty-nine municipalities studied. Six of the nine municipalities had total commercial property tax bills greater than the provincial average of \$7,714 for \$200,000 of assessed

Table 19:

North: Total property tax gap ratios with municipal, education, and total taxes for \$200,000 of assessed value

Municipality	Property Class	2012 Municipal Taxes	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011 Total Tax Gap	2011 - 2012
Tisdale	Residential	\$2,407	\$1,331	\$3,738	2.76	2.72	*
	Commercial	\$7,851	\$2,450	\$10,301			
Shellbrook	Residential	\$3,276	\$1,331	\$4,607	2.73	2.82	✓
	Commercial	\$10,140	\$2,450	\$12,590			
Birch Hills*	Residential	\$3,080	\$1,331	\$4,411	2.65	N/A	N/A
	Commercial	\$9,240	\$2,450	\$11,690			
Carrot River	Residential	\$3,220	\$1,331	\$4,551	2.36	2.35	*
	Commercial	\$8,280	\$2,450	\$10,730			
Nipawin	Residential	\$1,934	\$1,331	\$3,265	2.28	2.29	✓
	Commercial	\$4,993	\$2,450	\$7,443			
Creighton*	Residential	\$1,890	\$1,331	\$3,221	2.02	N/A	N/A
	Commercial	\$4,050	\$2,450	\$6,500			
La Ronge*	Residential	\$2,445	\$1,331	\$3,776	1.95	N/A	N/A
	Commercial	\$4,925	\$2,450	\$7,375			
Battleford	Residential	\$1,826	\$1,331	\$3,157	1.76	1.76	=
	Commercial	\$3,108	\$2,450	\$5,558			
Hudson Bay	Residential	\$1,890	\$1,331	\$3,221	1.72	1.72	=
	Commercial	\$3,092	\$2,450	\$5,542			
Maidstone*	Residential	\$2,536	\$1,331	\$3,867	1.53	N/A	N/A
	Commercial	\$3,450	\$2,450	\$5,900			
Average	Residential	\$2,450	\$1,331	\$3,782	2.18	2.28	✓
	Commercial	\$5,913	\$2,450	\$8,363			
* gap worsened ✓ gap improved = gap same							

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

*Birch Hills, Creighton, La Ronge and Maidstone were added to the North section to reflect population data from the 2011 census

value. Kelvington (\$4,800), Langenburg (\$5,810) and Preeceville (\$6,897) were the only municipalities in the region that were better than average in this regard with Kelvington having the third lowest total tax bill in the province.

North

In 2011 six municipalities were studied in the North region and on average, for a \$200,000 assessment, businesses in those communities were paying 2.28 times the amount of total property taxes paid by residents (see Table 19). Based on growth shown in the 2011 Census, Birch Hills, Creighton, La Ronge and Maidstone were added in 2012 and it was found that, on average, business owners in the North paid 2.18 times the amount of property taxes paid by residents. This improvement is overstated by the low total tax gaps for three of the four municipalities that were added; if the four new municipalities are excluded, the 2012 average total tax gap for the six municipalities studied in 2011 was 2.27. Shellbrook had the greatest improvement in its total tax gap as the municipality lowered the commercial mill rate factor while increasing the residential mill rate factor (see Appendix H-6).

Tisdale has highest total property tax gap; Maidstone the lowest

Tisdale had the highest total property tax gap in the region at 2.76 with Shellbrook trailing close behind at 2.73. Birch Hills, Carrot River and Nipawin had the next highest total tax gaps at 2.65, 2.36 and 2.28, respectively. Maidstone and Hudson Bay had the lowest total tax gaps of 1.53 and 1.72, respectively.

Shellbrook has highest commercial total tax bill; Hudson Bay the lowest – 3rd year in a row

The North, with an average total commercial property tax bill of \$8,363, was above the provincial average of \$7,714 (see Appendix E). This is mostly driven by municipalities with exceptionally high total commercial property tax bills such as Shellbrook at \$12,590, Birch Hills at \$11,690, Carrot River at \$10,730 and Tisdale at \$10,301. Commercial property owners in Hudson Bay paid the lowest total property tax bill in the region at \$5,542 for \$200,000 of assessed value. In comparison, residential property owners in the North paid anywhere from \$3,157 in Battleford to \$4,607 in Shellbrook in total property taxes for a property valued at \$200,000.

There is no justification for comparatively high taxation of businesses

Many people believe businesses should pay higher property taxes than residents and that the tax gap is warranted. It has been argued that businesses are more reliant on municipal services than residents; therefore, higher taxes on business are justified. It is also a commonly held view that businesses should pay more because they have a greater ability to pay and are able to deduct property taxes from income taxes. Unfortunately, these notions are false. It is important that CFIB sets the record straight, and lays out the facts:

Businesses do not consume more public services than residents

Businesses, especially small ones, actually use fewer services than homeowners. For example, a study done by MMK Consulting for the City of Vancouver shows non-residential taxpayers pay 55 per cent of property-based taxes, but consumed 24 per cent of local tax-supported services.²² While residential properties pay \$0.56 in property taxes for every dollar of tax-supported services consumed, non-residential properties pay approximately \$2.42 in taxes for each dollar of service they consume.

The report's analysis on the consumption of municipal services shows Vancouver residential properties consumed 73 per cent of police services (such as the work of the traffic, patrol and major crimes divisions) while businesses consumed 27 per cent of police services. It is reasonable to assume these ratios would be similar in Saskatchewan, particularly in major centers.

Not all businesses have a greater capacity to pay - especially small business

A lasting, but inaccurate justification for imposing higher property taxes on businesses has been that they are better able to afford it. In reality, however, the business sector is not so easily characterized. Most Saskatchewan businesses are small businesses: 98.5 per cent of businesses are small²³ (less than 100 employees) and contribute 35 per cent of Saskatchewan's total GDP. Many small firms operate on very tight profit margins and when high property taxes squeeze these margins further, they have fewer resources to put back in the business. While businesses can affect profitability by changing product prices, most businesses do not have much control over price levels because they have to set them according to market conditions—often competing against products produced in lower taxed jurisdictions.

The tax deductibility of property taxes does not level the playing field

To argue that the deductibility of property taxes justifies higher taxation assumes that all businesses are able to benefit from tax deductions. Businesses that are struggling, just breaking even, or losing money do not receive a deductibility "benefit." Even if we

²² MMK Consulting, *Consumption of Tax-Supported Municipal Services*, January 2007

²³ Statistics Canada, *Business Register*, December 2010

assume that the ability to deduct property tax expenses gives business properties an advantage, it still does not account for the inequity between residential and business properties.

Consider a commercial property located in Swift Current worth \$200,000. The owner would have paid \$3,897 in taxes in 2012. Assuming the business earns less than \$450,000 for the year (which most small businesses do), the effective income tax rate on this amount would be 13 per cent.²⁴ The tax deduction on the \$3,897 would be \$506.61. Subtracting this from the property tax payable, the business owner is left paying \$3,390.39. An equally valued residential property in Swift Current, without access to the deduction, pays \$1,499 in property taxes. When the deduction is taken into account, commercial property owners are still paying 2.26 times more in property taxes than a residential property owner, compared to 2.60 if the deduction is not taken into account.

²⁴ Tax rate based on the Saskatchewan small business rate of 2 per cent and the federal small business rate of 11 per cent in 2011.

Policy Recommendations

It is clear commercial taxpayers are subsidizing residential property owners, but the ability to reduce the property tax gap does not lie solely on one level of government. On the one hand, the provincial government sets the provincial percentage and education mill rate, and municipal governments are in control of the mill rate factors they impose on different property classes. Rather than pointing fingers, the provincial and municipal governments both contribute to the property tax gap, and it is also within both their abilities to reduce it. CFIB hopes the following suggestions will help rectify the inequities in Saskatchewan's current property tax system:

Provincial Government Should:

1. **Continue to finance a greater portion of education through general revenues** by introducing further reductions to the commercial education mill rate.
2. **“Cap the Gap”** - Because the property tax gap continues to exist without much concern by municipalities, the province must step in and show leadership. The province should cap the difference in the mill rate factor between residential and commercial properties and introduce a long-term strategy to phase out the use of mill rate factors all together.
3. **Reject any proposal that would provide increased taxation powers to municipalities.** While we recognize the fiscal pressures Canadian municipalities face, we are opposed to them gaining authority for new sources of revenue such as municipal fuel or hotel taxes; or even a sales or income tax. In the minds of business owners, many local politicians have not been able to use the property tax system fairly, so there is little trust that they could reasonably administer any additional taxes. It must be remembered that while there are three levels of government, there is only one taxpayer.
4. **Reject calls for provincial tax increases to finance municipal infrastructure** (e.g. Vehicle tax, province wide property tax levy on business and residential properties). An additional tax is unnecessary and governments should use the existing funds more efficiently and effectively.

Local Governments Should:

1. **Develop and implement a plan over time to reduce the commercial- to-residential property tax gap.** Saskatoon provides a good example as it committed to a strategic 10 year plan in 2000 to reduce its property tax gap from 2.36 to 1.75, a 25 per cent reduction. In 2010, the City of Saskatoon achieved this goal and has proven it can be done. At its April 8, 2013 meeting Saskatoon City Council received a report from Administration recommending that the Municipal Tax Policy Ratio between commercial and residential properties be shifted from the current 1.75 to 1.43 over an eight year period. As changes to the current tax policy cannot come into effect until 2014 or later,

Administration recommended delaying deliberation of the recommendation until October, 2013 to allow more time for citizens to become familiar with the information and consult with the Councillors.

2. **Limit year-over-year spending growth to a maximum of inflation plus population growth** and ensure the funds from the Province's Municipal Operating Grant are used prudently. Recent spending by municipalities has exceeded levels necessary to keep pace with population and inflation growth. Local politicians should actively seek ways to deliver cost savings in the provision of municipal services.
3. **Review current programs and services** with a view to identifying programs and service areas that can be eliminated, streamlined, contracted out to the private sector, or sold.
4. **Reduce the size and cost of the municipal civil service:**
 - Introduce a plan to reduce the size and cost of the civil service (primarily through attrition) and pension reform.
 - Develop a long-term strategy to narrow the wages/benefits disparity (21 per cent) between public and private sector employees.
5. **Work toward additional revenue sharing, rather than new taxing authority or provincial tax increases to finance municipal infrastructure.**
6. **Consider the introduction of a base tax for all homeowners.** Currently 45 of the 63 municipalities studied in this report have a base tax. When surveyed, 70 per cent of small business owners agree that a base tax for basic core services should be implemented for all homeowners. Local government services are enjoyed by all taxpayers and the costs must be shared by all taxpayers.

Feedback on CFIB's approach

CFIB's property tax report puts a spotlight on property tax fairness, always garnering a great deal of attention from media outlets and municipal leaders across Saskatchewan. The feedback CFIB's research has received makes it evident that the report is making a difference and having an impact on policy makers.

CFIB's property tax report highlights both property tax gaps and property tax bills, stressing the importance of both fairness and affordability. Other improvements include the independent analysis of municipal taxes and total taxes which better highlights the separation between taxes imposed by the province and those by municipalities. Further strengthening the report was the inclusion of base taxes in calculating the municipal and total tax loads - which has been included since the 2009 edition of the report. To ensure the accuracy of tax data, CFIB gathers information directly from municipal offices and cross references these numbers with the *Mill Rate Survey* collected by the Ministry of Government Relations. With each iteration of the property tax report, CFIB's approach has been to address various feedback raised in the past.

Following the release of both the 2009, 2010 and 2011 property tax reports, several municipal officials complimented CFIB for its research, citing the importance of fair taxation:

- ▶ **The City Manager for Estevan was pleased they had improved their property tax gap:** *"Back in 2002, Council made a commitment to do something about the high property tax ratio and we went from the highest to the middle of the pack. We are quite enthused with that and glad that it is being recognized."* - The Estevan Mercury, October 3 2012 *Estevan Remains Among Fairest Tax Jurisdictions*
- ▶ **The Mayor of Battleford made big changes in response to CFIB's report:** The report ranked Battleford as 63rd out of 67 communities in the province in Saskatchewan for taxes unfair to business. *"I took that to heart,"* said Mayor Odishaw. He said he is determined to turn it around, saying *"I never aspired to be 63rd out of 67."*... He noted the CFIB now ranks Battleford as 15 out of 63 reporting communities and the town is now considered one of the most business-friendly municipalities. The Battleford's News-Optimist, May 11, 2012 *City and town on a roll: mayors*
- ▶ **Melville reduces commercial taxes because of CFIB's report:** *"We attacked the commercial tax because of CFIB's annual report in 2011 which stated Melville had the highest commercial municipal tax bill. The CFIB does this report every year, and every year Melville has the highest commercial taxes,"* said Shannon Bell, Assistant City Treasurer. Melville Mayor Walter Streelasky also noted, *"The CFIB report was a concern of ours. We don't like that reputation."*, Melville Advance, January 25, 2012 *Slight hike in Taxes*

With each edition of the property tax report CFIB seeks to improve its methodology using feedback from the Ministry of Government Relations and municipal leaders:

- ▶ **The City Manager of Weyburn believes assessment method is overlooked when calculating tax gaps:** *“The City of Weyburn was criticized for having such a high ratio compared to other cities, but it wasn’t the tax policy that was the difference it was the assessment which we have no control over and is not relevant when comparing cities unless they are all assessed using the same assessment techniques, the taxes on the same type of building in Weyburn were the same or better than in other Cities, but that’s not the story that was told.”* City Manager, May 17, 2013
- ▶ **The Director of Finance for Yorkton argues that using a \$200,000 assessment overstates the tax gap:** *“When you pick a value of \$200,000 this represents less than 5% of the homes in Yorkton. [...] If you chose to compare a value of less than our average, say 50,000 the commercial to residential rate would be less than 1.4X in Yorkton. By picking a higher valued property, the reverse is true. And the higher the value the more skewed the number.”* Director of Finance, September 26, 2012
- ▶ **The Mayor of Swift Current defends the city’s taxation policy:** *“There’s more to the taxation picture for commercial business and residential taxation in communities than just the tax gap,”* he emphasized. *“One of the most important things whether it be a person or a corporation is the amount of tax they are paying, not necessarily so much the tax gap that exists.”* Prairie Post, Nov 18, 2011 City of Swift Current disagrees with CFIB’s tax findings

Appendix A: Overall Municipal Property Tax Gap Ranking (Best to Worst) (per \$200,000 of assessed value)

Municipality	2012 Municipal Tax Gap	Rank
Dalmeny	1.19	1
Waldheim	1.25	2
White City	1.25	2
Watrous	1.29	4
Langenburg	1.30	5
Regina Beach	1.31	6
Grenfell	1.31	6
Gravelbourg	1.32	8
Lanigan	1.32	8
Osler	1.36	10
Maidstone	1.36	10
Indian Head	1.43	12
Lumsden	1.43	12
Biggar	1.43	12
Canora	1.43	12
Balgonie	1.43	12
Kipling	1.51	17
Fort Qu'Appelle	1.52	18
Martensville	1.56	19
Kelvington	1.62	20
Hudson Bay	1.64	21
Unity	1.65	22
Battleford	1.70	23
Langham	1.75	24
Assiniboia	1.76	25
Carnduff	1.79	26
Saskatoon	1.79	26
Warman	1.80	28
Rosthern	1.86	29
Kindersley	1.90	30
Regina	1.95	31
Preeceville	1.97	32
La Ronge	2.01	33
Foam Lake	2.04	34
Moose Jaw	2.05	35

Municipality	2012 Municipal Tax Gap	Rank
Oxbow	2.08	36
Kerrobert	2.08	36
Davidson	2.09	38
Creighton	2.14	39
Esterhazy	2.18	40
Meadow Lake	2.18	40
Carlyle	2.20	42
Estevan	2.24	43
Melfort	2.31	44
Wilkie	2.33	45
Rosetown	2.41	46
Pilot Butte	2.45	47
Gull Lake	2.54	48
Carrot River	2.57	49
Nipawin	2.58	50
Outlook	2.59	51
Swift Current	2.60	52
Moosomin	2.61	53
Macklin	2.63	54
Prince Albert	2.66	55
Maple Creek	2.69	56
Wynyard	2.76	57
Shaunavon	2.79	58
Melville	2.86	59
Eston	2.98	60
Birch Hills	3.00	61
Shellbrook	3.10	62
Wadena	3.21	63
Humboldt	3.23	64
Tisdale	3.26	64
North Battleford	3.30	66
Weyburn	3.47	67
Yorkton	3.72	68
Kamsack	4.22	69
Average	2.14	

Source: CFB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix B: Overall Municipal Commercial Property Tax Bill Ranking (Best to Worst) (per \$200,000 of assessed value)

Municipality	2012 Municipal Taxes -Commercial	Rank
Waldheim	\$1,500	1
White City	\$1,990	2
Kelvington	\$2,350	3
Regina Beach	\$2,373	4
Lumsden	\$2,669	5
Martensville	\$2,799	6
Balgonie	\$2,822	7
Saskatoon	\$2,846	8
Dalmeny	\$2,950	9
Osler	\$3,020	10
Warman	\$3,082	11
Hudson Bay	\$3,092	12
Watrous	\$3,100	13
Battleford	\$3,108	14
Kipling	\$3,300	15
Langenburg	\$3,360	16
Grenfell	\$3,400	17
Maidstone	\$3,450	18
Langham	\$3,490	19
Estevan	\$3,601	20
Indian Head	\$3,700	21
Regina	\$3,716	22
Swift Current	\$3,897	23
Biggar	\$4,000	24
Moose Jaw	\$4,041	25
Lanigan	\$4,050	26
Creighton	\$4,050	26
Pilot Butte	\$4,075	28
Fort Qu'Appelle	\$4,200	29
Unity	\$4,345	30
Preeceville	\$4,447	31
Gravelbourg	\$4,450	32
Rosthern	\$4,582	33
Carlyle	\$4,810	34
La Ronge	\$4,925	35

Municipality	2012 Municipal Taxes -Commercial	Rank
Nipawin	\$4,993	36
Carnduff	\$5,026	37
Macklin	\$5,200	38
Oxbow	\$5,350	39
Kindersley	\$5,396	40
Wynyard	\$5,438	41
Meadow Lake	\$5,481	42
Weyburn	\$5,483	43
Canora	\$5,600	44
Melfort	\$5,742	45
Kerrobert	\$5,861	46
Outlook	\$5,900	47
Yorkton	\$6,100	48
Shaunavon	\$6,420	49
Moosomin	\$6,520	50
Assiniboia	\$6,584	51
Maple Creek	\$6,650	52
Gull Lake	\$6,661	53
Prince Albert	\$6,690	54
Humboldt	\$6,742	55
North Battleford	\$6,795	56
Davidson	\$7,275	57
Wilkie	\$7,275	57
Rosetown	\$7,458	59
Melville	\$7,518	60
Wadena	\$7,638	61
Tisdale	\$7,851	62
Esterhazy	\$7,880	63
Carrot River	\$8,280	64
Birch Hills	\$9,240	65
Shellbrook	\$10,140	66
Kamsack	\$11,414	67
Foam Lake	\$11,440	68
Eston	\$13,595	69
Average	\$5,264	

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix C: Overall Municipal Property Tax Gap Change 2011 to 2012 (Best to Worst) (per \$200,000 of assessed value)

Municipality	2011-2012 Municipal Tax Gap Change	Rank
Kamsack	-0.45	1
Melville	-0.32	2
Carlyle	-0.19	3
Maple creek	-0.16	4
Shellbrook	-0.15	5
Gull Lake	-0.13	6
Carnduff	-0.12	7
Outlook	-0.12	7
Wynyard	-0.10	9
Yorkton	-0.07	10
Meadow Lake	-0.06	11
Eston	-0.05	12
Pilot Butte	-0.05	12
Moose Jaw	-0.03	14
Nipawin	-0.03	14
North Battleford	-0.03	14
Kipling	-0.02	17
Wadena	-0.02	17
Martensville	-0.02	17
Regina Beach	-0.02	17
Preeceville	-0.01	21
Oxbow	-0.01	21
Dalmeny	-0.01	21
Kerrobert	-0.01	21
Langenburg	-0.01	21
Grenfell	-0.01	21
Watrous	-0.01	21
Wilkie	-0.01	21
Lanigan	-0.01	21
Swift Current	0.00	30
Estevan	0.00	30
Balgonie	0.00	30
Fort Qu'Appelle	0.00	30
Indian Head	0.00	30
Lumsden	0.00	30

Municipality	2011-2012 Municipal Tax Gap Change	Rank
Moosomin	0.00	30
Gravelbourg	0.00	30
Shaunavon	0.00	30
Biggar	0.00	30
Rosetown	0.00	30
Rosthern	0.00	30
Unity	0.00	30
Canora	0.00	30
Foam Lake	0.00	30
Kelvington	0.00	30
Carrot River	0.00	30
Hudson Bay	0.00	30
Regina	0.00	30
Weyburn	0.00	30
Kindersley	0.00	30
Assiniboia	0.00	30
Esterhazy	0.01	52
Battleford	0.01	52
Davidson	0.01	52
Saskatoon	0.01	52
Langham	0.02	56
Tisdale	0.04	57
White City	0.08	58
Prince Albert	0.08	58
Macklin	0.13	60
Warman	0.18	61
Melfort	0.19	62
Humboldt	0.28	63
Osler	N/A	N/A
Waldheim	N/A	N/A
Bitch Hills	N/A	N/A
Creighton	N/A	N/A
La Ronge	N/A	N/A
Maidstone	N/A	N/A
Average	-0.02	

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix D: Overall Total Property Tax Gap Ranking (Best to Worst) (per \$200,000 of assessed value)

Municipality	2012 Total Tax Gap	Rank
Dalmeny	1.42	1
Gravelbourg	1.47	2
Lanigan	1.48	3
Watrous	1.48	3
Langenburg	1.49	5
Grenfell	1.49	5
White City	1.52	7
Maidstone	1.53	8
Regina Beach	1.53	8
Canora	1.53	8
Osler	1.54	11
Waldheim	1.56	12
Biggar	1.56	12
Indian Head	1.57	14
Balgonie	1.59	15
Lumsden	1.60	16
Fort Qu'Appelle	1.62	17
Kipling	1.64	18
Martensville	1.68	19
Unity	1.71	20
Hudson Bay	1.72	21
Kelvington	1.73	22
Battleford	1.76	23
Assiniboia	1.78	24
Langham	1.79	25
Carnduff	1.80	26
Saskatoon	1.81	27
Warman	1.82	28
Rosthern	1.85	29
Kindersley	1.88	30
Regina	1.90	31
Preeceville	1.92	32
La Ronge	1.95	33
Moose Jaw	1.97	34
Oxbow	2.00	35

Municipality	2012 Total Tax Gap	Rank
Foam Lake	2.00	35
Kerrobert	2.01	37
Creighton	2.02	38
Davidson	2.02	38
Estevan	2.06	40
Meadow Lake	2.06	40
Carlyle	2.07	42
Esterhazy	2.09	43
Melfort	2.14	44
Pilot Butte	2.18	45
Wilkie	2.18	45
Rosetown	2.24	47
Swift Current	2.24	47
Nipawin	2.28	49
Gull Lake	2.30	50
Macklin	2.31	51
Outlook	2.32	52
Moosomin	2.34	53
Carrot River	2.36	54
Prince Albert	2.38	55
Wynyard	2.39	56
Maple Creek	2.39	56
Shaunavon	2.44	58
Melville	2.52	59
Birch Hills	2.65	60
Humboldt	2.69	61
Wadena	2.72	62
Weyburn	2.72	62
North Battleford	2.73	64
Eston	2.73	64
Shellbrook	2.73	64
Tisdale	2.76	67
Yorkton	2.88	68
Kamsack	3.44	69
Average	2.03	

Source: CFB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix E: Overall Total Commercial Property Tax Bill Ranking (Best to Worst) (per \$200,000 of assessed value)

Municipality	2012 Total Taxes - Commercial	Rank
Waldheim	\$3,950	1
White City	\$4,440	2
Kelvington	\$4,800	3
Regina Beach	\$4,823	4
Lumsden	\$5,119	5
Martensville	\$5,249	6
Balgonie	\$5,272	7
Saskatoon	\$5,296	8
Dalmeny	\$5,400	9
Osler	\$5,470	10
Warman	\$5,532	11
Hudson Bay	\$5,542	12
Watrous	\$5,550	13
Battleford	\$5,558	14
Kipling	\$5,750	15
Langenburg	\$5,810	16
Grenfell	\$5,850	17
Maidstone	\$5,900	18
Langham	\$5,940	19
Estevan	\$6,051	20
Indian Head	\$6,150	21
Regina	\$6,166	22
Swift Current	\$6,347	23
Biggar	\$6,450	24
Moose Jaw	\$6,491	25
Lanigan	\$6,500	26
Creighton	\$6,500	26
Pilot Butte	\$6,525	28
Fort Qu'Appelle	\$6,650	29
Unity	\$6,795	30
Preeceville	\$6,897	31
Gravelbourg	\$6,900	32
Rosthern	\$7,032	33
Carlyle	\$7,260	34
La Ronge	\$7,375	35

Municipality	2012 Total Taxes - Commercial	Rank
Nipawin	\$7,443	36
Carnduff	\$7,476	37
Macklin	\$7,650	38
Oxbow	\$7,800	39
Kindersley	\$7,846	40
Wynyard	\$7,888	41
Meadow Lake	\$7,931	42
Weyburn	\$7,933	43
Canora	\$8,050	44
Melfort	\$8,192	45
Kerrobert	\$8,311	46
Outlook	\$8,350	47
Yorkton	\$8,550	48
Shaunavon	\$8,870	49
Moosomin	\$8,970	50
Assiniboia	\$9,034	51
Maple Creek	\$9,100	52
Gull Lake	\$9,111	53
Prince Albert	\$9,140	54
Humboldt	\$9,192	55
North Battleford	\$9,245	56
Davidson	\$9,725	57
Wilkie	\$9,725	57
Rosetown	\$9,908	59
Melville	\$9,968	60
Wadena	\$10,088	61
Tisdale	\$10,301	62
Esterhazy	\$10,330	63
Carrot River	\$10,730	64
Birch Hills	\$11,690	65
Shellbrook	\$12,590	66
Kamsack	\$13,864	67
Foam Lake	\$13,890	68
Eston	\$16,045	69
Average	\$7,714	

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix F: Overall Total Property Tax Gap Change 2011 to 2012 (Best to Worst) (per \$200,000 of assessed value)

Municipality	2011-2012 Total Tax Gap Change	Rank
Kamsack	-0.30	1
Melville	-0.20	2
Carlyle	-0.09	3
Maple Creek	-0.09	3
Shellbrook	-0.09	3
Carnduff	-0.08	6
Gull Lake	-0.07	7
Outlook	-0.05	8
Wynyard	-0.05	8
Meadow Lake	-0.03	10
Eston	-0.03	10
Yorkton	-0.02	12
Kipling	-0.02	12
Watrous	-0.02	12
Moose Jaw	-0.01	15
Martensville	-0.01	15
Nipawin	-0.01	15
Pilot Butte	-0.01	15
Lumsden	-0.01	15
Dalmeny	-0.01	15
Regina Beach	-0.01	15
Preeceville	-0.01	15
Langenburg	-0.01	15
Lanigan	-0.01	15
North Battleford	0.00	25
Canora	0.00	25
Oxbow	0.00	25
Hudson Bay	0.00	25
Kerrobert	0.00	25
Wilkie	0.00	25
Unity	0.00	25
Balgonie	0.00	25
Fort Qu'Appelle	0.00	25
Indian Head	0.00	25
Moosomin	0.00	25

Municipality	2011-2012 Total Tax Gap Change	Rank
Gravelbourg	0.00	25
Shaunavon	0.00	25
Biggar	0.00	25
Rosthern	0.00	25
Foam Lake	0.00	25
Kelvington	0.00	25
Weyburn	0.00	25
Regina	0.00	25
Assiniboia	0.00	25
Kindersley	0.00	25
Grenfell	0.00	25
Rosetown	0.00	25
Battleford	0.00	25
Estevan	0.01	49
Carrot River	0.01	49
Saskatoon	0.01	49
Esterhazy	0.01	49
Langham	0.01	49
Davidson	0.01	49
Wadena	0.01	49
Swift Current	0.02	56
Tisdale	0.03	57
Prince Albert	0.06	58
Macklin	0.09	59
White City	0.09	59
Warman	0.10	61
Melfort	0.11	62
Humboldt	0.18	63
Osler	N/A	N/A
Waldheim	N/A	N/A
Birch Hills	N/A	N/A
Creighton	N/A	N/A
La Ronge	N/A	N/A
Maidstone	N/A	N/A
Average	-0.01	

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix G: Regional Property Tax Rankings (per \$200,000 of assessed value)

Region	Municipal						Municipal + Education					
	2012 Municipal Gap			2012 Municipal Taxes - Commercial			2012 Total Tax Gap			2012 Total Taxes - Commercial		
	Municipality	2012 Municipal Tax Gap	Regional Rank	Municipality	2012 Municipal Taxes - Commercial	Regional Rank	Municipality	2012 Total Tax Gap	Regional Rank	Municipality	2012 Total Taxes - Commercial	Regional Rank
Cities (15)	Martensville	1.56	1	Martensville	\$2,799	1	Martensville	1.68	1	Martensville	\$5,249	1
	Saskatoon	1.79	2	Saskatoon	\$2,846	2	Saskatoon	1.81	2	Saskatoon	\$5,296	2
	Warman	1.80	3	Warman	\$3,082	3	Warman	1.82	3	Warman	\$5,532	3
	Regina	1.95	4	Estevan	\$3,601	4	Regina	1.90	4	Estevan	\$6,051	4
	Moose Jaw	2.05	5	Regina	\$3,716	5	Moose Jaw	1.97	5	Regina	\$6,166	5
	Meadow Lake	2.18	6	Swift Current	\$3,897	6	Meadow Lake	2.06	6	Swift Current	\$6,347	6
	Estevan	2.24	7	Moose Jaw	\$4,041	7	Estevan	2.06	6	Moose Jaw	\$6,491	7
	Melfort	2.31	8	Meadow Lake	\$5,481	8	Melfort	2.14	8	Meadow Lake	\$7,931	8
	Swift Current	2.60	9	Weyburn	\$5,483	9	Swift Current	2.24	9	Weyburn	\$7,933	9
	Prince Albert	2.66	10	Melfort	\$5,742	10	Prince Albert	2.38	10	Melfort	\$8,192	10
	Melville	2.86	11	Yorkton	\$6,100	11	Melville	2.52	11	Yorkton	\$8,550	11
	Humboldt	3.23	12	Prince Albert	\$6,690	12	Humboldt	2.69	12	Prince Albert	\$9,140	12
	North Battleford	3.30	13	Humboldt	\$6,742	13	Weyburn	2.72	13	Humboldt	\$9,192	13
	Weyburn	3.47	14	North Battleford	\$6,795	14	North Battleford	2.73	14	North Battleford	\$9,245	14
	Yorkton	3.72	15	Melville	\$7,518	15	Yorkton	2.88	15	Melville	\$9,968	15
Average	2.51		Average	\$5,124		Average	2.24		Average	\$7,419		
South West (5)	Gravelbourg	1.32	1	Gravelbourg	\$4,450	1	Gravelbourg	1.47	1	Gravelbourg	\$6,900	1
	Assiniboia	1.76	2	Shaunavon	\$6,420	2	Assiniboia	1.78	2	Shaunavon	\$8,870	2
	Gull Lake	2.54	3	Assiniboia	\$6,584	3	Gull Lake	2.30	3	Assiniboia	\$9,034	3
	Maple Creek	2.69	4	Maple Creek	\$6,650	4	Maple Creek	2.39	4	Maple Creek	\$9,100	4
	Shaunavon	2.79	5	Gull Lake	\$6,661	5	Shaunavon	2.44	5	Gull Lake	\$9,111	5
	Average	2.22		Average	\$6,153		Average	2.08		Average	\$8,603	
South East (14)	White City	1.25	1	White City	\$1,990	1	Grenfell	1.49	1	White City	\$4,440	1
	Grenfell	1.31	2	Regina Beach	\$2,373	2	White City	1.52	2	Regina Beach	\$4,823	2
	Regina Beach	1.31	2	Lumsden	\$2,669	3	Regina Beach	1.53	3	Lumsden	\$5,119	3
	Balgonie	1.43	4	Balgonie	\$2,822	4	Indian Head	1.57	4	Balgonie	\$5,272	4
	Indian Head	1.43	4	Kipling	\$3,300	5	Balgonie	1.59	5	Kipling	\$5,750	5
	Lumsden	1.43	4	Grenfell	\$3,400	6	Lumsden	1.60	6	Grenfell	\$5,850	6
	Kipling	1.51	7	Indian Head	\$3,700	7	Fort Qu'Appelle	1.62	7	Indian Head	\$6,150	7
	Fort Qu'Appelle	1.52	8	Pilot Butte	\$4,075	8	Kipling	1.64	8	Pilot Butte	\$6,525	8
	Carnduff	1.79	9	Fort Qu'Appelle	\$4,200	9	Carnduff	1.80	9	Fort Qu'Appelle	\$6,650	9
	Oxbow	2.08	10	Carlyle	\$4,810	10	Oxbow	2.00	10	Carlyle	\$7,260	10
	Davidson	2.09	11	Carnduff	\$5,026	11	Davidson	2.02	11	Carnduff	\$7,476	11
	Carlyle	2.20	12	Oxbow	\$5,350	12	Carlyle	2.07	12	Oxbow	\$7,800	12
	Pilot Butte	2.45	13	Moosomin	\$6,520	13	Pilot Butte	2.18	13	Moosomin	\$8,970	13
	Moosomin	2.61	14	Davidson	\$7,275	14	Moosomin	2.34	14	Davidson	\$9,725	14
Average	1.74		Average	\$4,108		Average	1.78		Average	\$6,558		

Source: CFB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix G: Regional Property Tax Rankings (per \$200,000 of assessed value) (Continued)

Region	Municipal						Municipal + Education					
	2012 Municipal Gap			2012 Municipal Taxes - Commercial			2012 Total Tax Gap			2012 Total Taxes - Commercial		
	Municipality	2012 Municipal Tax Gap	Regional Rank	Municipality	2012 Municipal Taxes - Commercial	Regional Rank	Municipality	2012 Total Tax Gap	Regional Rank	Municipality	2012 Total Taxes - Commercial	Regional Rank
Central West (16)	Dalmeny	1.19	1	Waldheim	\$1,500	1	Dalmeny	1.42	1	Waldheim	\$3,950	1
	Waldheim	1.25	2	Dalmeny	\$2,950	2	Lanigan	1.48	2	Dalmeny	\$5,400	2
	Watrous	1.29	3	Osler	\$3,020	3	Watrous	1.48	2	Osler	\$5,470	3
	Lanigan	1.32	4	Watrous	\$3,100	4	Osler	1.54	4	Watrous	\$5,550	4
	Osler	1.36	5	Langham	\$3,490	5	Biggar	1.56	5	Langham	\$5,940	5
	Biggar	1.43	6	Biggar	\$4,000	6	Waldheim	1.56	5	Biggar	\$6,450	6
	Unity	1.65	7	Lanigan	\$4,050	7	Unity	1.71	7	Lanigan	\$6,500	7
	Langham	1.75	8	Unity	\$4,345	8	Langham	1.79	8	Unity	\$6,795	8
	Rosthern	1.86	9	Rosthern	\$4,582	9	Rosthern	1.85	9	Rosthern	\$7,032	9
	Kindersley	1.90	10	Macklin	\$5,200	10	Kindersley	1.88	10	Macklin	\$7,650	10
	Kerrobert	2.08	11	Kindersley	\$5,396	11	Kerrobert	2.01	11	Kindersley	\$7,846	11
	Wilkie	2.33	12	Kerrobert	\$5,861	12	Wilkie	2.18	12	Kerrobert	\$8,311	12
	Rosetown	2.41	13	Outlook	\$5,900	13	Rosetown	2.24	13	Outlook	\$8,350	13
	Outlook	2.59	14	Wilkie	\$7,275	14	Macklin	2.31	14	Wilkie	\$9,725	14
Macklin	2.63	15	Rosetown	\$7,458	15	Outlook	2.32	15	Rosetown	\$9,908	15	
Eston	2.98	16	Eston	\$13,595	16	Eston	2.73	16	Eston	\$16,045	16	
Average	1.88		Average	\$5,108		Average	1.88		Average	\$7,558		
Central East (9)	Langenburg	1.30	1	Kelvington	\$2,350	1	Langenburg	1.49	1	Kelvington	\$4,800	1
	Canora	1.43	2	Langenburg	\$3,360	2	Canora	1.53	2	Langenburg	\$5,810	2
	Kelvington	1.62	3	Preeceville	\$4,447	3	Kelvington	1.73	3	Preeceville	\$6,897	3
	Preeceville	1.97	4	Wynyard	\$5,438	4	Preeceville	1.92	4	Wynyard	\$7,888	4
	Foam Lake	2.04	5	Canora	\$5,600	5	Foam Lake	2.00	5	Canora	\$8,050	5
	Esterhazy	2.18	6	Wadena	\$7,638	6	Esterhazy	2.09	6	Wadena	\$10,088	6
	Wynyard	2.76	7	Esterhazy	\$7,880	7	Wynyard	2.39	7	Esterhazy	\$10,330	7
	Wadena	3.21	8	Kamsack	\$11,414	8	Wadena	2.72	8	Kamsack	\$13,864	8
	Kamsack	4.22	9	Foam Lake	\$11,440	9	Kamsack	3.44	9	Foam Lake	\$13,890	9
Average	2.30		Average	\$6,619		Average	2.14		Average	\$9,069		
North (10)	Maidstone	1.36	1	Hudson Bay	\$3,092	1	Maidstone	1.53	1	Hudson Bay	\$5,542	1
	Hudson Bay	1.64	2	Battleford	\$3,108	2	Hudson Bay	1.72	2	Battleford	\$5,558	2
	Battleford	1.70	3	Maidstone	\$3,450	3	Battleford	1.76	3	Maidstone	\$5,900	3
	La Ronge	2.01	4	Creighton	\$4,050	4	La Ronge	1.95	4	Creighton	\$6,500	4
	Creighton	2.14	5	La Ronge	\$4,925	5	Creighton	2.02	5	La Ronge	\$7,375	5
	Carrot River	2.57	6	Nipawin	\$4,993	6	Nipawin	2.28	6	Nipawin	\$7,443	6
	Nipawin	2.58	7	Tisdale	\$7,851	7	Carrot River	2.36	7	Tisdale	\$10,301	7
	Birch Hills	3.00	8	Carrot River	\$8,280	8	Birch Hills	2.65	8	Carrot River	\$10,730	8
	Shellbrook	3.10	9	Birch Hills	\$9,240	9	Shellbrook	2.73	9	Birch Hills	\$11,690	9
	Tisdale	3.26	10	Shellbrook	\$10,140	10	Tisdale	2.76	10	Shellbrook	\$12,590	10
Average	2.34		Average	\$5,913		Average	2.18		Average	\$8,363		

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix H-1: Municipal and Total Property Tax Bill (Sorted by Total Gap) – Cities

Cities	Property Class	Provincial Percentage	2012 Municipal mill rate	2012 Municipal mill rate factor	2012 Base Tax	2012 Municipal taxes	2012 Municipal Tax Gap	2011-2012	2011 - 2012	2012 Education Mill Rate	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011-2012	2011-2012
Yorkton	Residential	0.7	23.75	0.24	840	\$1,638	3.72	-0.07	✓	9.51	\$1,331	\$2,969	2.88	-0.02	✓
	Commercial	1	23.75	1.2611	110	\$6,100				12.25	\$2,450	\$8,550			
Weyburn	Residential	0.7	18.65	0.412	505	\$1,581	3.47	0.00	=	9.51	\$1,331	\$2,912	2.72	0.00	=
	Commercial	1	18.65	1.4699	0	\$5,483				12.25	\$2,450	\$7,933			
North Battleford	Residential	0.7	18.76	0.559	593	\$2,061	3.30	-0.03	✓	9.51	\$1,331	\$3,393	2.73	0.00	=
	Commercial	1	18.76	1.811	0	\$6,795				12.25	\$2,450	\$9,245			
Humboldt	Residential	0.7	22.4	0.5075	495	\$2,087	3.23	0.28	✘	9.51	\$1,331	\$3,418	2.69	0.18	✘
	Commercial	1	22.4	1.41	425	\$6,742				12.25	\$2,450	\$9,192			
Melville	Residential	0.7	30.9	0.4693	600	\$2,630	2.86	-0.32	✓	9.51	\$1,331	\$3,962	2.52	-0.20	✓
	Commercial	1	30.9	1.1194	600	\$7,518				12.25	\$2,450	\$9,968			
Prince Albert	Residential	0.7	20.56	0.844	87	\$2,516	2.66	0.08	✘	9.51	\$1,331	\$3,848	2.38	0.06	✘
	Commercial	1	20.56	1.408	900	\$6,690				12.25	\$2,450	\$9,140			
Swift Current	Residential	0.7	10.77	0.737	388	\$1,499	2.60	0.00	=	9.51	\$1,331	\$2,831	2.24	0.02	✘
	Commercial	1	10.77	1.809	0	\$3,897				12.25	\$2,450	\$6,347			
Melfort	Residential	0.7	17	0.79	608	\$2,488	2.31	0.19	✘	9.51	\$1,331	\$3,820	2.14	0.11	✘
	Commercial	1	17	1.51	608	\$5,742				12.25	\$2,450	\$8,192			
Estevan	Residential	0.7	19.45	0.5898	0	\$1,606	2.24	0.00	=	9.51	\$1,331	\$2,937	2.06	0.01	✘
	Commercial	1	19.45	0.9258	0	\$3,601				12.25	\$2,450	\$6,051			
Meadow Lake	Residential	0.7	18.9	0.95	0	\$2,514	2.18	-0.06	✓	9.51	\$1,331	\$3,845	2.06	-0.03	✓
	Commercial	1	18.9	1.45	0	\$5,481				12.25	\$2,450	\$7,931			
Moose Jaw	Residential	0.7	16.81	0.7948	96	\$1,966	2.05	-0.03	✓	9.51	\$1,331	\$3,298	1.97	-0.01	✓
	Commercial	1	16.81	1.1734	96	\$4,041				12.25	\$2,450	\$6,491			
Regina	Residential	0.7	15.11	0.9006	0	\$1,905	1.95	0.00	=	9.51	\$1,331	\$3,237	1.90	0.00	=
	Commercial	1	15.11	1.2295	0	\$3,716				12.25	\$2,450	\$6,166			
Warman	Residential	0.7	7.6	1	650	\$1,714	1.80	0.18	✘	9.51	\$1,331	\$3,045	1.82	0.10	✘
	Commercial	1	7.6	1.6	650	\$3,082				12.25	\$2,450	\$5,532			
Saskatoon	Residential	0.7	12.05	0.9411	0	\$1,588	1.79	0.01	✘	9.51	\$1,331	\$2,919	1.81	0.01	✘
	Commercial	1	12.05	1.1811	0	\$2,846				12.25	\$2,450	\$5,296			
Martensville	Residential	0.7	6.92	1	830	\$1,799	1.56	-0.02	✓	9.51	\$1,331	\$3,130	1.68	-0.01	✓
	Commercial	1	6.92	1.4229	830	\$2,799				12.25	\$2,450	\$5,249			

✘ gap worsened ✓ gap improved = gap same

Source: CFB calculations based on 2011 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix H-2: Municipal and Total Property Tax Bill (Sorted by Total Gap) – South West

South West	Property Class	Provincial Percentage	2012 Municipal mill rate	2012 Municipal mill rate factor	2012 Base Tax	2012 Municipal taxes	2012 Municipal Tax Gap	2011-2012	2011 - 2012	2012 Education Mill Rate	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011-2012	2011-2012
Shaunavon	Residential	0.7	18	0.7941	300	\$2,301	2.79	0.00	=	9.51	\$1,331	\$3,633	2.44	0.00	=
	Commercial	1	18	1.7	300	\$6,420				12.25	\$2,450	\$8,870			
Maple Creek	Residential	0.7	25	0.45	900	\$2,475	2.69	-0.16	✓	9.51	\$1,331	\$3,806	2.39	-0.09	✓
	Commercial	1	25	1.15	900	\$6,650				12.25	\$2,450	\$9,100			
Gull Lake	Residential	0.7	21.26	0.812	205.60	\$2,622	2.54	-0.13	✓	9.51	\$1,331	\$3,954	2.30	-0.07	✓
	Commercial	1	21.26	1.5183	205.60	\$6,661				12.25	\$2,450	\$9,111			
Assiniboia	Residential	0.7	27.32	0.9	300	\$3,742	1.76	0.00	=	9.51	\$1,331	\$5,074	1.78	0.00	=
	Commercial	1	27.32	1.15	300	\$6,584				12.25	\$2,450	\$9,034			
Gravelbourg	Residential	0.7	18	1	850	\$3,370	1.32	0.00	=	9.51	\$1,331	\$4,701	1.47	0.00	=
	Commercial	1	18	1	850	\$4,450				12.25	\$2,450	\$6,900			

* gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix H-3: Municipal and Total Property Tax Bill (Sorted by Total Gap) – South East

South East	Property Class	Provincial Percentage	2012 Municipal mill rate	2012 Municipal mill rate factor	2012 Base Tax	2012 Municipal taxes	2012 Municipal Tax Gap	2011-2012	2011 - 2012	2012 Education Mill Rate	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011-2012	2011-2012
Moosomin	Residential	0.7	21	0.8499	0	\$2,499	2.61	0.00	=	9.51	\$1,331	\$3,830	2.34	0.00	=
	Commercial	1	21	1.5524	0	\$6,520				12.25	\$2,450	\$8,970			
Pilot Butte	Residential	0.7	11.5	1	50	\$1,660	2.45	-0.05	✓	9.51	\$1,331	\$2,991	2.18	-0.01	✓
	Commercial	1	11.5	1.75	50	\$4,075				12.25	\$2,450	\$6,525			
Carlyle	Residential	0.7	18.5	0.65	500	\$2,184	2.20	-0.19	✓	9.51	\$1,331	\$3,515	2.07	-0.09	✓
	Commercial	1	18.5	1.3	0	\$4,810				12.25	\$2,450	\$7,260			
Davidson	Residential	0.7	25	0.8639	450	\$3,474	2.09	0.01	✖	9.51	\$1,331	\$4,805	2.02	0.01	✖
	Commercial	1	25	1.365	450	\$7,275				12.25	\$2,450	\$9,725			
Oxbow	Residential	0.7	15	1	475	\$2,575	2.08	-0.01	✓	9.51	\$1,331	\$3,906	2.00	0.00	=
	Commercial	1	15	1.6	550	\$5,350				12.25	\$2,450	\$7,800			
Carnduff	Residential	0.7	21.48	0.67	800	\$2,815	1.79	-0.12	✓	9.51	\$1,331	\$4,146	1.80	-0.08	✓
	Commercial	1	21.48	1	730	\$5,026				12.25	\$2,450	\$7,476			
Fort Qu'Appelle	Residential	0.7	15.87	1	550	\$2,772	1.52	0.00	=	9.51	\$1,331	\$4,103	1.62	0.00	=
	Commercial	1	15.87	1.15	550	\$4,200				12.25	\$2,450	\$6,650			
Kipling	Residential	0.7	7	1	1200	\$2,180	1.51	-0.02	✓	9.51	\$1,331	\$3,511	1.64	-0.02	✓
	Commercial	1	7	1	1900	\$3,300				12.25	\$2,450	\$5,750			
Lumsden	Residential	0.7	13.3437	1	0	\$1,868	1.43	0.00	=	9.51	\$1,331	\$3,200	1.60	-0.01	✓
	Commercial	1	13.3437	1	0	\$2,669				12.25	\$2,450	\$5,119			
Indian Head	Residential	0.7	18.5	1	0	\$2,590	1.43	0.00	=	9.51	\$1,331	\$3,921	1.57	0.00	=
	Commercial	1	18.5	1	0	\$3,700				12.25	\$2,450	\$6,150			
Balgonie	Residential	0.7	10.25	0.9926	550	\$1,974	1.43	0.00	=	9.51	\$1,331	\$3,306	1.59	0.00	=
	Commercial	1	10.25	1.1085	550	\$2,822				12.25	\$2,450	\$5,272			
Grenfell	Residential	0.7	13.5	1	700	\$2,590	1.31	-0.01	✓	9.51	\$1,331	\$3,921	1.49	0.00	=
	Commercial	1	13.5	1	700	\$3,400				12.25	\$2,450	\$5,850			
Regina Beach	Residential	0.7	7.83	1	721	\$1,817	1.31	-0.02	✓	9.51	\$1,331	\$3,149	1.53	-0.01	✓
	Commercial	1	7.83	1.5152	0	\$2,373				12.25	\$2,450	\$4,823			
White City	Residential	0.7	6.7	1	650	\$1,588	1.25	0.08	✖	9.51	\$1,331	\$2,919	1.52	0.09	✖
	Commercial	1	6.7	1	650	\$1,990				12.25	\$2,450	\$4,440			

✖ gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2011 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix H-4: Municipal and Total Property Tax Bill (Sorted by Total Gap) – Central West

Central West	Property Class	Provincial Percentage	2012 Municipal mill rate	2012 Municipal mill rate factor	2012 Base Tax	2012 Municipal taxes	2012 Municipal Tax Gap	2011-2012	2011 - 2012	2012 Education Mill Rate	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011-2012	2011-2012
Eston	Residential	0.7	28.25	1	600	\$4,555	2.98	-0.05	✓	9.51	\$1,331	\$5,886	2.73	-0.03	✓
	Commercial	1	28.25	2.3	600	\$13,595				12.25	\$2,450	\$16,045			
Macklin	Residential	0.7	7	1	1000	\$1,980	2.63	0.13	✖	9.51	\$1,331	\$3,311	2.31	0.09	✖
	Commercial	1	7	3	1000	\$5,200				12.25	\$2,450	\$7,650			
Outlook	Residential	0.7	11.25	1	700	\$2,275	2.59	-0.12	✓	9.51	\$1,331	\$3,606	2.32	-0.05	✓
	Commercial	1	11.25	2.4	500	\$5,900				12.25	\$2,450	\$8,350			
Rosetown	Residential	0.7	27.81	0.794	0	\$3,091	2.41	0.00	=	9.51	\$1,331	\$4,423	2.24	0.00	=
	Commercial	1	27.81	1.3408	0	\$7,458				12.25	\$2,450	\$9,908			
Wilkie	Residential	0.7	26.9	0.83	0	\$3,126	2.33	-0.01	✓	9.51	\$1,331	\$4,457	2.18	0.00	=
	Commercial	1	26.9	1.185	900	\$7,275				12.25	\$2,450	\$9,725			
Kerrobert	Residential	0.7	20.5	0.7015	800	\$2,813	2.08	-0.01	✓	9.51	\$1,331	\$4,145	2.01	0.00	=
	Commercial	1	20.5	1.1978	950	\$5,861				12.25	\$2,450	\$8,311			
Kindersley	Residential	0.7	19.75	0.92	300	\$2,844	1.90	0.00	=	9.51	\$1,331	\$4,175	1.88	0.00	=
	Commercial	1	19.75	1.29	300	\$5,396				12.25	\$2,450	\$7,846			
Rosthern	Residential	0.7	14.4	1	450	\$2,466	1.86	0.00	=	9.51	\$1,331	\$3,797	1.85	0.00	=
	Commercial	1	14.4	1.4	550	\$4,582				12.25	\$2,450	\$7,032			
Langham	Residential	0.7	6	1	1150	\$1,990	1.75	0.02	✖	9.51	\$1,331	\$3,321	1.79	0.01	✖
	Commercial	1	6	2.3	730	\$3,490				12.25	\$2,450	\$5,940			
Unity	Residential	0.7	19.75	0.955	0	\$2,641	1.65	0.00	=	9.51	\$1,331	\$3,972	1.71	0.00	=
	Commercial	1	19.75	1.1	0	\$4,345				12.25	\$2,450	\$6,795			
Biggar	Residential	0.7	20	1	0	\$2,800	1.43	0.00	=	9.51	\$1,331	\$4,131	1.56	0.00	=
	Commercial	1	20	1	0	\$4,000				12.25	\$2,450	\$6,450			
Osler	Residential	0.7	8	1	1100	\$2,220	1.36	N/A	N/A	9.51	\$1,331	\$3,551	1.54	N/A	N/A
	Commercial	1	8	1.2	1100	\$3,020				12.25	\$2,450	\$5,470			
Lanigan	Residential	0.7	16.5	1	750	\$3,060	1.32	-0.01	✓	9.51	\$1,331	\$4,391	1.48	-0.01	✓
	Commercial	1	16.5	1	750	\$4,050				12.25	\$2,450	\$6,500			
Watrous	Residential	0.7	11.5	1	800	\$2,410	1.30	-0.01	✓	9.51	\$1,331	\$3,741	1.48	-0.02	✓
	Commercial	1	11.5	1	800	\$3,100				12.25	\$2,450	\$5,550			
Waldheim	Residential	0.7	7	1	220	\$1,200	1.25	N/A	N/A	9.51	\$1,331	\$2,531	1.56	N/A	N/A
	Commercial	1	7	1	100	\$1,500				12.25	\$2,450	\$3,950			
Dalmeny	Residential	0.7	8	1	1350	\$2,470	1.19	-0.01	✓	9.51	\$1,331	\$3,801	1.42	-0.01	✓
	Commercial	1	8	1	1350	\$2,950				12.25	\$2,450	\$5,400			

✖ gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix H-5: Municipal and Total Property Tax Bill (Sorted by Total Gap) – Central East

Central East	Property Class	Provincial Percentage	2012 Municipal mill rate	2012 Municipal mill rate factor	2012 Base Tax	2012 Municipal taxes	2012 Municipal Tax Gap	2011-2012	2011 - 2012	2012 Education Mill Rate	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011-2012	2011-2012
Kamsack	Residential	0.7	38	0.4	575	\$2,703	4.22	-0.45	✓	9.51	\$1,331	\$4,034	3.44	-0.30	✓
	Commercial	1	38	1.39	850	\$11,414				12.25	\$2,450	\$13,864			
Wadena	Residential	0.7	31	0.4098	600	\$2,379	3.21	-0.02	✓	9.51	\$1,331	\$3,710	2.72	0.01	✘
	Commercial	1	31	1.107	775	\$7,638				12.25	\$2,450	\$10,088			
Wynyard	Residential	0.7	18.75	0.75	0	\$1,969	2.76	-0.10	✓	9.51	\$1,331	\$3,300	2.39	-0.05	✓
	Commercial	1	18.75	1.45	0	\$5,438				12.25	\$2,450	\$7,888			
Esterhazy	Residential	0.7	26	0.83	600	\$3,621	2.18	0.01	✘	9.51	\$1,331	\$4,953	2.09	0.01	✘
	Commercial	1	26	1.4	600	\$7,880				12.25	\$2,450	\$10,330			
Foam Lake	Residential	0.7	40	1	0	\$5,600	2.04	0.00	=	9.51	\$1,331	\$6,931	2.00	0.00	=
	Commercial	1	40	1.43	0	\$11,440				12.25	\$2,450	\$13,890			
Preeceville	Residential	0.7	11.9802	1	585	\$2,262	1.97	-0.01	✓	9.51	\$1,331	\$3,594	1.92	-0.01	✓
	Commercial	1	11.9802	1.5	852.50	\$4,447				12.25	\$2,450	\$6,897			
Kelvington	Residential	0.7	5	1	750	\$1,450	1.62	0.00	=	9.51	\$1,331	\$2,781	1.73	0.00	=
	Commercial	1	5	1	1350	\$2,350				12.25	\$2,450	\$4,800			
Canora	Residential	0.7	28	1	0	\$3,920	1.43	0.00	=	9.51	\$1,331	\$5,251	1.53	0.00	=
	Commercial	1	28	1	0	\$5,600				12.25	\$2,450	\$8,050			
Langenburg	Residential	0.7	13	1	760	\$2,580	1.30	-0.01	✓	9.51	\$1,331	\$3,911	1.49	-0.01	✓
	Commercial	1	13	1	760	\$3,360				12.25	\$2,450	\$5,810			

✘ gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.

Appendix H-6: Municipal and Total Property Tax Bill (Sorted by Total Gap) – North

North	Property Class	Provincial Percentage	2012 Municipal mill rate	2012 Municipal mill rate factor	2012 Base Tax	2012 Municipal taxes	2012 Municipal Tax Gap	2011-2012	2011 - 2012	2012 Education Mill Rate	2012 Education Taxes	2012 Total Taxes	2012 Total Tax Gap	2011-2012	2011-2012
Tisdale	Residential	0.7	14.9	0.612	1130	\$2,407	3.26	0.04	✖	9.51	\$1,331	\$3,738	2.76	0.03	✖
	Commercial	1	14.9	2.23	1206	\$7,851				12.25	\$2,450	\$10,301			
Shellbrook	Residential	0.7	39	0.6	0	\$3,276	3.10	-0.15	✓	9.51	\$1,331	\$4,607	2.73	-0.09	✓
	Commercial	1	39	1.3	0	\$10,140				12.25	\$2,450	\$12,590			
Birch Hills	Residential	0.7	22	1	0	\$3,080	3.00	N/A	N/A	9.51	\$1,331	\$4,411	2.65	N/A	N/A
	Commercial	1	22	2.1	0	\$9,240				12.25	\$2,450	\$11,690			
Nipawin	Residential	0.7	8.15	0.79	1033	\$1,934	2.58	-0.03	✓	9.51	\$1,331	\$3,266	2.28	-0.01	✓
	Commercial	1	8.15	2	1733	\$4,993				12.25	\$2,450	\$7,443			
Carrot River	Residential	0.7	23	1	0	\$3,220	2.57	0.00	=	9.51	\$1,331	\$4,551	2.36	0.01	✖
	Commercial	1	23	1.8	0	\$8,280				12.25	\$2,450	\$10,730			
Creighton	Residential	0.7	13.5	1	0	\$1,890	2.14	N/A	N/A	9.51	\$1,331	\$3,221	2.02	N/A	N/A
	Commercial	1	13.5	1.5	0	\$4,050				12.25	\$2,450	\$6,500			
La Ronge	Residential	0.7	14.25	1	450	\$2,445	2.01	N/A	N/A	9.51	\$1,331	\$3,776	1.95	N/A	N/A
	Commercial	1	14.25	1.5	650	\$4,925				12.25	\$2,450	\$7,375			
Battleford	Residential	0.7	6.79	1	875	\$1,826	1.70	0.01	✖	9.51	\$1,331	\$3,157	1.76	0.00	=
	Commercial	1	6.79	1	1750	\$3,108				12.25	\$2,450	\$5,558			
Hudson Bay	Residential	0.7	13.5	1	0	\$1,890	1.64	0.00	=	9.51	\$1,331	\$3,221	1.72	0.00	=
	Commercial	1	13.5	1.145	0	\$3,092				12.25	\$2,450	\$5,542			
Maidstone	Residential	0.7	17.25	1.05	0	\$2,536	1.36	N/A	N/A	9.51	\$1,331	\$3,867	1.53	N/A	N/A
	Commercial	1	17.25	1	0	\$3,450				12.25	\$2,450	\$5,900			

✖ gap worsened ✓ gap improved = gap same

Source: CFIB calculations based on 2012 property tax data from Government of Saskatchewan, Ministry of Government Relations.