Research

June 2011

The Municipal Property Tax Gap: Small Business Still Feeling the Squeeze in BC

Annual Report

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In 2010, small businesses paid 2.79 times as much in property taxes as residents on the same value of property. The business share of property taxes has been increasing over the last two decades but dropped slightly over the past year.

Introduction

This report tracks the level of property tax fairness in British Columbia. The amount of tax levied is compared between residents and businesses. In BC, property taxes are based on annual assessments and different tax rates depending on the property class.

BC's property tax gap, the comparison of what business and residential owners pay on the same-value property has narrowed by a sliver, but a huge inequity remains. Worse, the real dollar value that both business owners and parties are paying in property tax is rising. Property taxes are known to have the most harmful impact on business operations. The over taxation of small-and medium-sized enterprises (SMEs) stymies growth and stifles job creation.

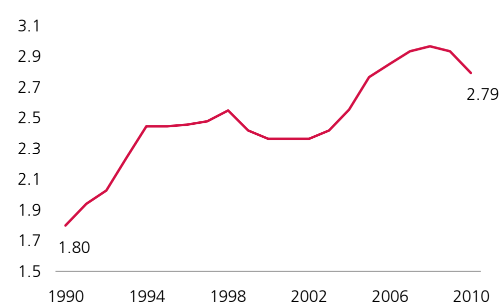
Historically, businesses have been paying more on both absolute and relative terms compared to residents. The average business-residential municipal property tax gap in British Columbia has been growing over the last two decades (see Figure 1 and definition on page 2) but has decreased from 2.94 in 2009 to 2.79 in 2010.

This shows that municipalities are inching in the right direction but still have miles to go to truly improve tax fairness for businesses.

- Out of 160 municipalities, only 24 municipalities have a municipal property tax gap of 2 or less
- 84 municipalities experienced decreases in the municipal property gap from 2009
- Out of the 30 largest municipalities, 27 experienced decreases in the municipal property gap from 2009

Figure 1:

Historical Average Municipal Property Tax Gap, 1990 to 2010



Source: CFIB analysis of BC Government published property tax rates 1990–2010.

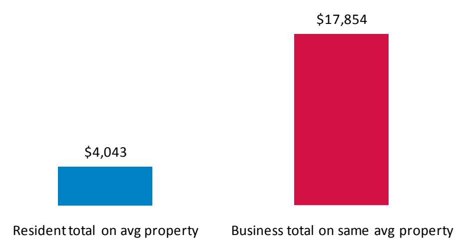
Definition:

__Business-residential property tax gap__: is used to compare the level of property tax paid between businesses and residents for the same property value. The current report features both __municipal__ property tax gaps and __total__ property tax gaps for municipalities across British Columbia. (E.g. A property tax gap of three means that businesses are paying three times as much as residents in property tax based on the same property value.)

In Vancouver, a total property tax gap of 4.42 translates into a $17,854 tax bill on a business property and a $4,043 bill on a residential property of the same value - $958,444 (see Figure 2).

Figure 2:

Vancouver: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

In Surrey, a total property tax gap of 3.31 translates into an $8,627 tax bill on a business property and a $2,610 bill on a residential property of the same value - $531,813 (see Figure 3).

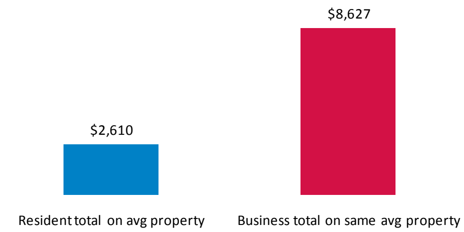
Unfair taxation, real impacts

"As a result of the cost of taxes I've had to reduce advertising costs, employee hours, donations to charities and local fundraising organizations. I could be using the money to do renovations and add more varieties of product to my business, providing more employment spending money locally."

Deenie Ottenbreit, Chantilly Kitchen Bed & Bath, Revelstoke

Figure 3:

Surrey: Business vs. Residential Property Tax on a Representative Property



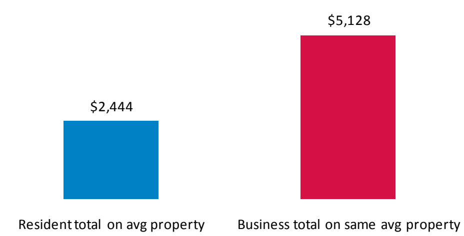
Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

In Prince George, a total property tax gap of 2.10 translates into a $5,128 tax bill on a business property and a $2,444 bill on a residential property of the same value - $200,288 (see Figure 4).

More regional results are available on page 8. Additional data tables are featured in the appendix.

Figure 4:

Prince George: Business vs. Residential Property Tax on a Representative property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Higher tax trauma

"I have a 2400 square foot warehouse in Coquitlam, from which I operate my business. I am almost in tears as I pay my $9,300 property tax bill, on a unit assessed at $360,000 value. This money would otherwise be used to support my wife and eight-month-old daughter. I purchased this unit in 1994, and over the many years, have yet to use any community supplied services from Coquitlam whatsoever."

Brian Anderson, Cedar King, Coquitlam

Worst Offenders

Table 1 lists British Columbia's worst offenders in terms of the 2010 municipal property tax gap. A ranking of 1 is allocated to the municipality with the highest (worst) municipal property tax gap.

Table 1:

BC's Worst offenders—How Many Times as Much Do Businesses Pay On the Same Value of Property?

Municipality	*Municipal Property Tax Gap 2010*	*Rank (1 being the worst)*
North Saanich	6.05	1
Revelstoke	5.86	2
Kitimat*	4.69	3**
Coquitlam	4.69	4**
Vancouver	4.55	5
Tumbler Ridge	4.33	6
Metchosin	4.12	7
Castlegar	4.04	8
Ashcroft	4.01	9
Lantzville	4.00	10
North Vancouver City	3.94	11
Burnaby	3.88	12
Logan Lake	3.87	13
Comox	3.82	14
View Royal	3.77	15
Whistler	3.75	16
Terrace	3.73	17
New Westminster	3.73	18
Colwood	3.67	19**
Hudson's Hope	3.67	20**

*Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.*Indicates a flat tax. See page 4 and Appendix 4 for more info. **Rankings may differ due to rounding in the gap.*

Out of 160 municipalities in British Columbia, North Saanich is where a small business owner pays the most in property tax compared to what a resident would pay on the same property value (6.05). Although North Saanich has the highest municipal property tax gap, it's worth noting that this is an improvement from the last few years. In 2009, its municipal property tax gap was at 6.80.

Table 2:

BC's Most Improved in Municipal Property Gap in 2010 (from 2009)

Municipality	*Municipal Property Tax Gap 2010*	*Rank (1 being the worst)*
Castlegar	**4.04**	**8**
Tumbler Ridge	**4.33**	**6**
Port Alberni	**2.10**	**131**
Revelstoke	**5.86**	**2**
North Saanich	**6.05**	**1**

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

The largest decreases in municipal property gaps were seen in Castlegar and Tumbler Ridge (see Table 2). Still, these two municipalities remain among the worst offenders. The least improved include Kitimat, Valemount, and Lillooet (see Appendix 3).

Largest 30 Municipalities

Among British Columbia's 30 largest municipalities by population, small businesses pay at least twice as much as residents on property taxes with the exception of Penticton. All of these municipalities experienced decreases in the municipal property gap except Langford, West Kelowna, and Richmond (see Table 3).

Table 3:

BC's 30 Biggest Municipalities by Population—How Many Times as Much Do Businesses Pay On the Same Value of Property?

Municipality	*Municipal Property Tax Gap 2010*	*Rank (1 being the worst)*	*Gap Change from 2009*
Coquitlam	**4.69**	**4**	Down
Vancouver	**4.55**	**5**	Down
North Vancouver City	**3.94**	**11**	Down
Burnaby	**3.88**	**12**	Down
New Westminster	**3.73**	**18**	Down
Victoria	**3.59**	**21**	Down
Saanich	**3.58**	**23****	Down
Port Coquitlam	**3.58**	**24****	Down
Richmond	**3.46**	**30**	Same
North Vancouver District	**3.32**	**34**	Down
North Cowichan	**3.26**	**36**	Down
Mission	**3.17**	**41**	Down
Langford	**3.16**	**43**	Same
Kamloops	**3.12**	**47**	Down
Delta	**3.04**	**54**	Down
Maple Ridge	**3.00**	**58**	Down
Surrey	**3.00**	**61**	Down
Port Moody	**2.99**	**63**	Down
Langley District	**2.85**	**70**	Down
Vernon	**2.78**	**75**	Down
Campbell River	**2.72**	**84**	Down
Nanaimo	**2.68**	**86**	Down
Abbotsford	**2.65**	**87**	Down
West Kelowna	**2.45**	**104**	Same
Kelowna	**2.38**	**114**	Down
Langley City	**2.20**	**126**	Down
Chilliwack	**2.15**	**128**	Down
West Vancouver	**2.09**	**132**	Down
Prince George	**2.05**	**134**	Down
Penticton	**1.90**	**146**	
POPULATION: 82.7% of BC	Avg. 3.06		

*Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics; CFIB analysis of BC Stats 2010 Population Estimates. **Rankings may differ due to rounding in the gap.*

Background on Property Taxes

BC's municipal governments have been setting tax rates since 1984. There are several components that make up the total rate. The majority are municipal components but some relate to other levels of government.

Property Tax Components

The term 'property tax' generally refers to the tax levied by local government on assessed property values (including land and improvements). Property tax components levied on properties include:

- **Municipal**: The largest component (about 40-60 per cent, depending on the municipality) of the total property tax levy set individually by each municipal government to pay for municipal services.
- **School**: Set by the provincial government, the second largest component of the total property tax levy. Property taxes fund approximately 33 per cent of public education costs (13 per cent paid by residents and 20 per cent by businesses).[1]
- **Regional District**: Set by the province. All municipalities in BC belong to a regional district, which provide certain shared services such as electoral area planning, water and sewer treatment, recreation and libraries, fire protection, solid waste disposal, and water supply and distribution.
- **Hospital**: Set by the provincial government to generate revenue for some health authorities, often shared among a number of municipalities. In the Greater Vancouver Regional District (GVRD), hospitals are funded directly by the provincial government.
- **Regional Transportation**: Some regional districts include a levy to fund public transportation and infrastructure. The Capital Regional District charges a BC Transit levy, and the GVRD imposes a TransLink levy.
- **Other tax**: The 'other' component of the property tax is set by the province and generates revenue to fund BC Assessment and the Municipal Financing Authority (MFA).

Many BC small businesses are located in rural electoral areas and are subject to rural property tax rates set by the provincial government. There are approximately 1,400 sets of tax rates across 70 rural jurisdictions in British Columbia. Tax rates are levied by property class for provincial rural (general), provincial school, regional hospital, regional district and other local government functions. Due to the additional complexity of rural property taxation, it is not within the scope of this report to perform a comprehensive review of rural property taxes.

Provincial School Taxes

The province currently uses a formula developed in 1991 to set the residential rates for each school district. School tax rates vary year to year based on the number of residential properties in the school district and residential assessed values. The province sets one rate for all business properties with annual increases limited to inflation plus new construction. In 2010, the business school tax rate was $6.80 per $1,000 in assessed value. By charging a school property tax rate, some argue that the province is crowding out some of the total property tax room of municipalities.

The provincial government raises approximately one third of its education funding through property taxes—residents pay 13 per cent of the total, and non-residents pay 20 per cent. Agricultural Land Reserve properties as well as Eligible Hydroelectric Power Producers are exempt. As a result of the disproportionate reliance on non-resident properties to pay for schools, there also exists

[1] 2007 is the latest data as presented on BC government website http://www.sbr.gov.bc.ca/individuals/Property_Taxes/School_Property_Tax/about_school_tax.htm

a "school property tax gap" in BC, its magnitude varying by school board.[2]

Recognising the burden of school property taxes, in the 2008 Provincial Budget, the school property tax rate for major industrial and light industrial properties was reduced to the business class tax rate for two years, providing $12 million in much needed relief in 2008 and for the export-oriented sectors hurt during the recession.

In 2009, relief for industrial properties was extended; a 50 per cent industrial school property tax credit was introduced. In 2011, this tax credit has increased to 60 per cent and is effective for subsequent tax years.[3]

Flat Taxes

There were five municipalities in 2010 that imposed a flat tax on residential properties: Dawson Creek, Kimberley, Kitimat, Powell River and Trail. These municipalities require an approximation of the property tax gap.

Other Municipal Charges

Municipalities levy a variety of other charges and taxes on the property tax bill, including at least one of the following:

- **Parcel Taxes:** Charge on a particular parcel of land for a discrete period of time to pay for a defined service received. For example, the cost of a new neighbourhood park is allocated to properties in that neighbourhood for 5 years using a parcel tax.
- **Local Area Service Taxes:** Charge in the form of a parcel tax or a property tax on a local area for a particular service improvement. A Business Improvement Area is a type of local area service tax.

The range of other municipal charges as a portion of the total tax bill is wide—from 0.6 per cent in Tofino attributed to other municipal charges to 49.8 per cent in Grand Forks. In major municipalities, such as Vancouver and Surrey, other municipal charges represent 7.2 per cent and 23.9 per cent respectively. A list of the distribution in all municipalities is available in Appendix 5.

Property Assessment in BC

BC Assessment charges all property owners for its services through the property tax system. It is the provincial body responsible for determining the market value, classification, and exemption status of properties using standard appraisal methods. Property taxes in British Columbia are levied on the total market value of both residential and non-residential properties.

British Columbia's assessment system is centralized which allows for greater consistency in assessments and appeals and enables it to act at arm's length from local governments.

BC Assessment issues property assessments on December 31st each year reflecting the property's value on July 1st of that year. Municipal tax rate bylaws must be adopted before May 15th of each year. Annual property taxes are due on July 2nd.[4]

Most municipalities assess each property class with a different rate of taxation. In British Columbia, the property classes covered include:

- Residential (Class 1)
- Utilities (Class 2)
- Supportive Housing (Class 3)—new in 2009
- Major Industry (Class 4)
- Light Industry (Class 5)
- Business and Other (Class 6)
- Managed Forest Land (Class 7)
- Recreational Property/ Non-Profit (Class 8)
- Farm (Class 9)

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[2] http://www.sbr.gov.bc.ca/business/Property_Taxes/School_Property_Tax/about_school_tax.htm

[3] This was first introduced in October 2008.

[4] In Vancouver, property taxes are due the second business day after July 1st.

The comparison of business and residential categories is the focus of this report because the majority of small businesses fall within the "business" category. The terms "business," "commercial" and "Class 6" are used interchangeably.

How Do Changes in Property Assessments Affect the Property Tax Gap?

Most local governments calculate taxes using the variable tax rate system where tax rates are based on a dollar figure per $1,000 dollars of assessed property value. If BC Assessment determines that residential property values in a municipality have increased over the past year, the municipal tax levy on residential properties is adjusted downwards so that the revenue collected remains fixed.

The current property tax system yields lower tax rates for residents when residential property value growth outpaces other property classes which can lead to distortions in the market. Even by keeping the amount of taxes paid by businesses and residents constant, differing tax rates between residents and businesses does not lead to fair taxation.

The number of properties within each tax class (known as the non-market movement) can also impact the property tax gap. This usually works against small businesses because the rate of growth of residential properties is higher, and therefore the residential tax burden is spread among more residential properties. However, this only applies if municipalities allocate a fixed burden to each property class (such as 50 per cent paid by residents and 50 per cent by non-residents).

How is Fairness Assessed?

There are many ways to look at fairness in the property tax system. CFIB assesses the fairness of the property tax load on small businesses by calculating the property tax gap on the same value property. Each municipality is held accountable for its property tax gap in 2010. The vast majority have seen their property tax gaps increase from 2003, when CFIB first reported this measure. Municipalities most often gauge fairness using the annual percentage increase in property taxes per class regardless of changes to assessments or actual dollars paid in taxes by property class.

Analyzing the percentage increase in property taxes is not sufficient in determining the fair level of taxation. Examining the levels of taxation, differences in tax rates, and usage of services would help shape fair taxation. Moreover, reducing the property tax gap does not always have to result in increases to the residential tax burden. There are other options: municipalities should be looking to reining in their spending and looking at zero-based budgeting.

Some municipalities determine how much property tax each class should pay by assigning a distributional load to each class. In Vancouver, it has been the municipal council's policy since 1982 to use the distribution of property taxes by property class to determine fairness rather than the property tax gap. Vancouver city council appointed a Property Tax Policy Review Commission in 2007 to recommend a "fair tax target distribution target." They recommended a tax levy distribution of 48 per cent non-residential (the vast majority Class 6 properties) and 52 per cent residential.

Increased Taxes, Lowered Competitiveness

"Our issue is in the giant disparity between services used and services paid for through the property tax system. High property taxes reduce our competitiveness as most of our competition seek typical big box locations (out of city centres) or they negotiate lower shares of property taxes in mall locations….which we do not (as a regional business) have the clout to negotiate."

James McKenzie, Monk Office Supply Ltd., Victoria

As shown in Table 4, the amount businesses pay compared to residents is not reflective of their respective assessment values. Municipalities can try to decrease the total tax bill for businesses over time as in the case of Vancouver but the overall municipal property tax gap still stands quite high with small shifts in the tax load.

Table 4:

Tax Shifting Doesn't Mean Tax Fairness

Vancouver	2000	2010
Business (Class 6)	Paid 53.4% of tax bill Assessed value: 19.9%	Paid 45.8% of tax bill: Assessed value: 16.4%
Residential (Class 1)	Paid 42.7% of tax bill Assessed value: 79.1%	Paid 51.0% of tax bill Assessed value: 82.9%
Municipal Property Tax Gap	4.97	4.55

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics; City of Vancouver, Tax levies 2000.
http://vancouver.ca/fs/budgetServices/index.htm#rates

Basis for Reducing Property Tax Gap

Paying for the Services Consumed

Businesses directly consume less in services compared to residents but pay a larger share of the property tax bill based on the same property value. Based on a study carried out by MMK Consulting Inc. for the City of Vancouver, businesses paid $2.42 in property taxes per dollar of services received compared to $0.56 for residents.[5] It is difficult to quantify the indirect benefits of a municipality to businesses such as quality of life for individuals. UBCM[6] states that quality of life in a community plays an important role in attracting labour for a business but the accuracy of this claim is impossible to measure.

Obligation to Pay Versus Ability to Pay

There exists debate on whether businesses should pay for only the services that they consume or indirectly subsidize other property classes through a higher tax load on property. Some argue that because businesses make profits using their property and have the luxury to write off expenses, they have the greater ability to pay more in taxes. However, even if this factor is adjusted, businesses still pay more. Many small businesses operate on small profit margins and are highly sensitive to additional tax burden imposed on them. Moreover, residents and other property classes can also use property to generate income. There are tax benefits and deductible credits that are unavailable to businesses but available to residents and vice versa. As for business tax deductions, not all businesses qualify for the same number of deductions, if at all. While residents pay for a larger share of the property tax bill on an aggregate level, this trend is largely attributed to the fact that general population outweighs the number of business establishments.

Reducing property taxes, not services

Not only is it important to keep levels of taxation affordable for businesses and residents, it is also important to keep relative taxes fair. In reducing the property tax gap between residents and businesses, municipalities must constantly be looking for ways to reduce costs without hurting service levels. Services being provided by municipalities should be subject to cost-benefit analyses on a regular basis.

[5] MMK Consulting Inc., *City of Vancouver – Consumption of Tax-Supported Municipal Services, Volume 1 - Main Report*, 2007.

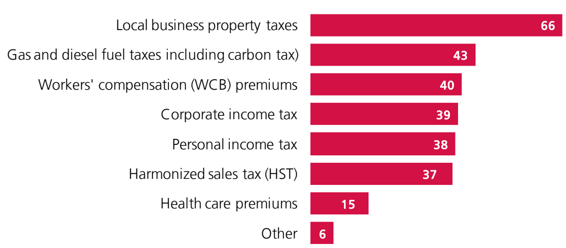
[6] Union of BC Municipalities, 2011. *Comment on Fiscal Management in British Columbia's Municipalities.*

SME Views on Property Taxes

Local business property taxes remain the highest tax issue of concern among small business owners in British Columbia. About 66 per cent of small businesses state that local business property taxes are the most harmful to the operation of their business (see Figure 5). Reductions in property taxes and the property tax gap for businesses can help spur business and job growth. About 70 per cent say that their municipal government does a poor job at providing reasonable property tax levels. The high cost of property taxes does not seem to result in better services either. About 59 of small business owners in British Columbia give their local government a poor rating in providing value-for-money in municipal services (see Figure 6).

Figure 5:

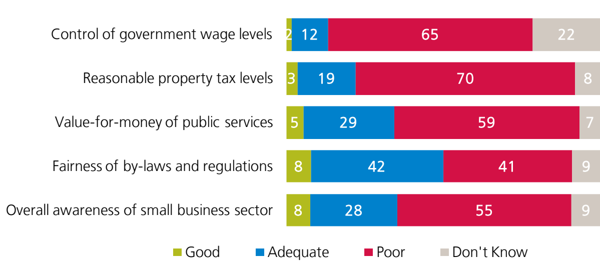
Which of the Following Taxes are the Most Harmful to the Operation of Your Business? (% response)



Source: CFIB, Focus on British Columbia survey, September-October 2010.

Figure 6:

How Do You Rate your Local Government on the Following Business Issues? (% response)

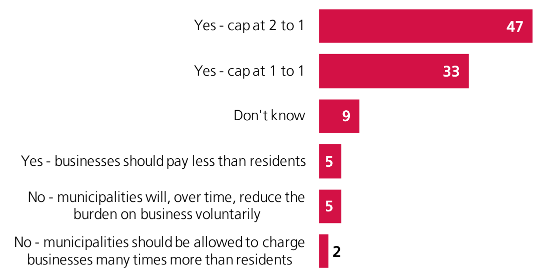


Source: CFIB, BC Our Members' Opinions survey, July-December 2010.

Almost half of small businesses say the property tax gap should be capped at 2 to 1. A third of small businesses say that there should be parity between the amount that business and residents pay in property taxes (see Figure 7).

Figure 7:

Should there be a cap on the gap between what Businesses Pay and Residents Pay?



Source: CFIB, Focus on British Columbia survey, September-October 2009.

Regional Data

Property tax gaps (both municipal and total) and the total property tax bills by property class by region are presented below. By measuring changes to the property tax gap, this report measures the extent to which the tax burden has been shifted to the business community since 2003, when CFIB released its first BC property tax report. The larger the gap between residential and non-residential tax rates within a particular municipality, the greater the share paid by small business owners. The property tax gap has dramatic impact on the actual dollars paid by businesses and residents.

Cariboo Area

Fraser-Fort George

In the Fraser-Fort George region, the municipality with the highest burden on its small business properties is McBride, with a municipal property tax gap of 2.50 (see Table 5). The largest municipality in the region, Prince George, has a municipal gap of 2.05.

Table 5:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Fraser-Fort George

Fraser-Fort George	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni Gap RANK (1 being the worst)
McBride	1,554	3,709	2.50 (2.39)	2.50 (2.41)	2.40 (2.21)	94
Mackenzie	1,007	2,080	1.99 (2.07)	2.16 (2.20)	1.89 (1.89)	144
Prince George	2,444	5,128	2.05 (2.10)	2.15 (2.19)	1.54 (1.65)	134
Valemount	1,631	3,737	2.32 (2.29)	1.80 (2.12)	1.60 (1.88)	117

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

Thompson/ Okanagan Area

Central Okanagan

In the Central Okanagan, the municipality with the highest burden on its small business properties is Lake Country, with a municipal property tax gap of 3.19 (see Table 6). The largest municipality in the region, Kelowna, has a municipal gap of 2.38, down from 2009.

Table 6:

Snapshot of the Property Tax Gap and Average Property Tax Burden in the Central Okanagan

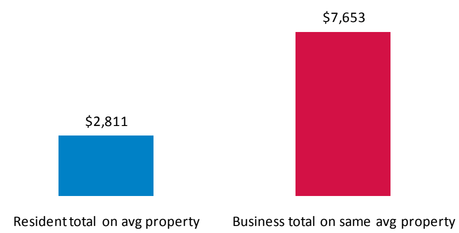
Central Okanagan	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Lake Country	2,826	8,979	3.19 (3.18)	3.54 (3.43)	3.37 (2.99)	38
West Kelowna	2,785	7,749	2.45 (2.78)	2.45 (2.85)	n/a	104
Kelowna	2,811	7,653	2.38 (2.72)	2.71 (2.98)	2.04 (2.26)	114
Peachland	2,490	6,424	2.00 (2.58)	2.00 (2.64)	2.00 (2.24)	142

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2. Note: West Kelowna was referred to as Westside in 2008.

In Kelowna, a total property tax gap of 2.72 translates into a $7,653 tax bill on a business property and a $2,811 bill on a residential property of the same value - $454,442 (see Figure 8).

Figure 8:

Kelowna: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

North Okanagan

In the North Okanagan, the municipality with the highest burden on its small business properties is Spallumcheen, with a municipal property tax gap of 3.10 (see Table 7). The largest municipality in the region, Vernon, has a municipal gap of 2.78.

Table 7:

Snapshot of the Property Tax Gap and Average Property Tax Burden in the North Okanagan

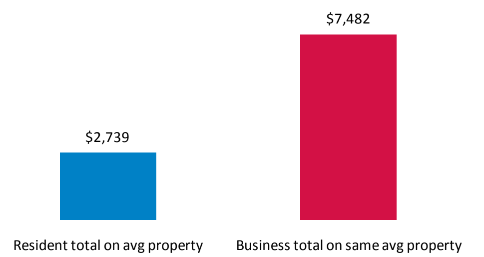
North Okanagan	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Armstrong	1,677	4,954	3.09 (2.95)	3.16 (3.05)	2.78 (2.45)	53
Spallumcheen	1,632	4,871	3.10 (2.98)	3.10 (3.04)	3.26 (2.67)	52
Vernon	2,763	7,684	2.78 (2.78)	3.05 (2.93)	2.22 (2.29)	75
Coldstream	3,146	8,356	2.40 (2.66)	2.40 (2.71)	1.90 (2.22)	111
Enderby	1,718	4,490	2.39 (2.61)	2.45 (2.69)	2.45 (2.31)	113
Lumby	2,289	5,630	1.99 (2.46)	2.20 (2.57)	1.40 (2.03)	143

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Vernon, a total property tax gap of 2.78 translates into a $7,482 tax bill on a business property and a $2,739 bill on a residential property of the same value - $380,408 (see Figure 9).

Figure 9:

Vernon: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Okanagan-Similkameen

In the Okanagan-Similkameen, the municipality with the highest burden on its small business properties is Princeton, with a municipal property tax gap of 3.29 (see Table 8). The largest municipality in the region, Penticton, has a much more reasonable municipal gap of 1.90.

Table 8:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Okanagan-Similkameen

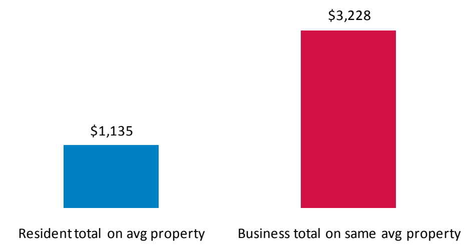
Okanagan-Similkameen	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Princeton	1,135	3,228	3.29 (2.84)	3.92 (3.14)	2.97 (2.42)	35
Summerland	2,270	6,812	3.03 (3.00)	3.35 (3.22)	2.08 (2.19)	56
Oliver	1,792	4,858	2.80 (2.71)	2.94 (2.80)	2.41 (2.20)	73
Keremeos	1,842	4,617	2.35 (2.51)	2.30 (2.51)	2.36 (2.20)	116
Penticton	2,422	5,639	1.90 (2.33)	2.08 (2.50)	1.50 (1.82)	146
Osoyoos	1,950	4,374	1.60 (2.24)	1.60 (2.29)	1.30 (1.71)	154

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Princeton, a total property tax gap of 2.84 translates into a $3,228 tax bill on a business property and a $1,135 bill on a residential property of the same value - $162,887 (see Figure 10).

Figure 10:

Princeton: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Thompson-Nicola

In Thompson-Nicola, the municipality with the highest burden on its small business properties is Ashcroft, with a municipal property tax gap of 4.01(see Table 9). The largest municipality in the region, Kamloops, has a municipal gap of 3.12.

Table 9:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Thompson-Nicola

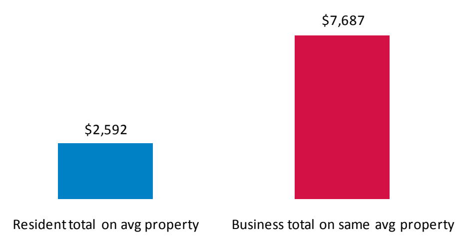
Thompson-Nicola	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Logan Lake	1,311	4,417	3.87 (3.37)	4.41 (3.68)	3.17 (2.71)	13
Ashcroft	1,685	4,986	4.01 (2.96)	3.78 (2.82)	3.30 (2.48)	9
Merritt	1,925	5,486	3.19 (2.85)	3.37 (2.94)	2.40 (2.16)	39
Kamloops	2,592	7,687	3.12 (2.97)	3.30 (3.08)	2.21 (2.18)	47
Clearwater	1,548	4,591	3.50 (2.97)	3.25 (2.89)	n/a	27
Chase	1,685	4,698	2.96 (2.79)	2.83 (2.73)	1.70 (1.94)	64
Barriere	1,403	3,705	2.65 (2.64)	2.45 (2.57)	n/a	88
Lytton	1,162	2,801	2.62 (2.41)	2.37 (2.24)	2.18 (2.02)	91
Clinton	1,364	3,325	2.61 (2.44)	2.29 (2.21)	2.00 (1.93)	92
Cache Creek	1,023	2,278	2.32 (2.23)	2.18 (2.13)	1.74 (1.82)	118

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Kamloops, a total property tax gap of 2.97 translates into a $7,687 tax bill on a business property and a $2,592 bill on an average residential property of the same value - $327,769 (see Figure 11).

Figure 11:

Kamloops: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Greater Vancouver Area

Greater Vancouver

In Greater Vancouver, the municipality with the highest burden on its small business properties is Coquitlam, with a municipal property tax gap of 4.69 (see Table 10). The largest municipality in the region, Vancouver, has a municipal gap of 4.84, down from its 2003 high of 5.16.

Disproportion brings Disappointment

"I don't know what the issue is but it seems taxes in Maple Ridge are very disproportionate to residential tax increases. Our industrial unit, 1,750 square feet of industrial space has gone up $3,500 over last year! This is a total of $8,000 in taxes for a unit that did not move one inch in terms of market place value. It does not seem fair."

Robert Brunetta, Expert Electric Ltd., Maple Ridge

Table 10:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Greater Vancouver

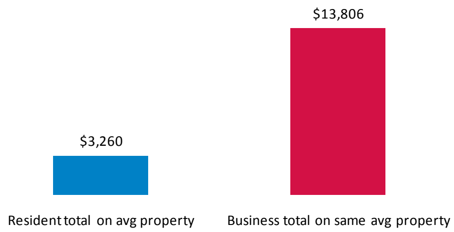
Greater Vancouver	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Coquitlam	3,260	13,806	4.69 (4.24)	4.98 (4.48)	4.59 (3.90)	4
Vancouver	4,043	17,854	4.55 (4.42)	4.84 (4.65)	5.16 (4.34)	5
North Vancouver – City	3,428	13,793	3.94 (4.02)	4.09 (4.20)	3.13 (3.35)	11
Burnaby	3,438	13,228	3.88 (3.85)	4.00 (4.00)	3.62 (3.49)	12
Port Coquitlam	2,918	10,508	3.58 (3.60)	3.96 (3.92)	3.06 (3.10)	24
New Westminster	3,543	12,852	3.73 (3.63)	3.83 (3.76)	3.28 (3.17)	18
North Vancouver – District	3,938	14,508	3.32 (3.68)	3.67 (3.98)	3.37 (3.49)	34
Pitt Meadows	2,595	8,732	3.36 (3.37)	3.63 (3.60)	2.94 (2.93)	32
Richmond	3,269	11,780	3.46 (3.60)	3.48 (3.68)	3.01 (3.11)	30
Port Moody	3,706	12,099	2.99 (3.26)	3.32 (3.56)	3.06 (3.11)	63
Delta	3,155	10,390	3.04 (3.29)	3.32 (3.53)	2.94 (3.05)	54
Maple Ridge	2,831	8,918	3.00 (3.15)	3.29 (3.40)	2.83 (2.87)	58
Surrey	2,610	8,627	3.00 (3.31)	3.23 (3.54)	2.75 (2.94)	61
Langley – District	2,697	8,389	2.85 (3.11)	3.11 (3.35)	2.92 (2.94)	70
White Rock	4,365	12,724	2.46 (2.92)	2.71 (3.16)	2.00 (2.43)	98
Lions Bay	3,882	14,248	2.45 (3.67)	2.45 (3.82)	4.44 (4.32)	109
Belcarra	3,286	10,304	2.45 (3.14)	2.45 (3.24)	2.45 (2.93)	100
West Vancouver	6,003	19,746	2.09 (3.29)	2.33 (3.59)	1.88 (2.96)	132
Langley – City	2,725	7,331	2.20 (2.69)	2.35 (2.87)	2.15 (2.49)	126
Anmore	4,002	10,757	1.00 (2.69)	1.00 (2.85)	1.00 (2.44)	158
Bowen Island	3,258	9,048	1.00 (2.78)	1.00 (2.95)	1.00 (2.52)	158

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Coquitlam, a total property tax gap of 4.24 translates into a $13,806 tax bill on a business property and a $3,260 bill on a residential property of the same value $578,133 (see Figure 12).

Figure 12:

Coquitlam: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Fraser Valley

In the Fraser Valley, the municipality with the highest burden on its small business properties is Harrison Hot Springs, with a municipal property tax gap of 3.50 (see Table 11). The largest municipality in the region, Abbotsford, has a municipal gap of 2.65.

Table 11:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Fraser Valley

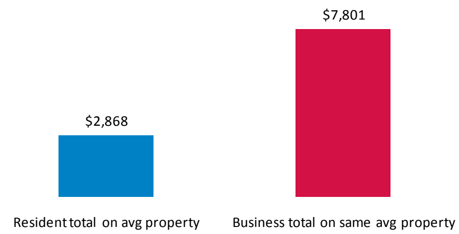
Fraser Valley	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Mission	2,747	8,582	3.17 (3.12)	3.51 (3.39)	2.67 (2.61)	41
Kent	1,903	5,359	3.12 (2.82)	3.18 (2.90)	2.07 (2.03)	46
Harrison Hot Springs	2,201	6,541	3.50 (2.97)	3.10 (2.82)	2.26 (2.15)	26
Abbotsford	2,868	7,801	2.65 (2.72)	2.90 (2.92)	2.54 (2.49)	87
Hope	1,975	4,905	2.50 (2.48)	2.65 (2.60)	2.00 (2.00)	96
Chilliwack	2,414	5,676	2.15 (2.35)	2.46 (2.60)	2.25 (2.25)	128

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Abbotsford, a total property tax gap of 2.72 translates into a $7,801 tax bill on a business property and a $2,868 bill on a residential property of the same value - $377,482 (see Figure 13).

Figure 13:

Abbotsford: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Vancouver Island and Coastal Area

Capital Regional District

In the Capital Regional District, the municipality with the highest burden on its small business properties is by far North Saanich, with a municipal property tax gap of 6.05 (see Table 12). This is also the highest property tax gap seen in British Columbia. It is still a decrease from 2003, when the gap was recorded at 7.38. The largest municipality in the region, Saanich, has a municipal gap of 3.58.

More tax, more pressure

"I don't understand how you can raise taxes 67% which comes straight out of profits without providing any extra services. Profits are used to pay employee bonuses and building upkeep required for running my business. To pay the extra $6000 for property tax, I must somehow generate an additional $30,000-$40,000 per year in sales. Or simply charge the consumer more who has already had enough. Just because property values have gone crazy it doesn't mean that I am selling it. I'm trying to run a small business in a poor economy. This is another illogical municipal policy."

Mark Solari, E.T.S. Automotive Ltd., Burnaby

Table 12:

Snapshot of the Property Tax Gap and Average Property Tax Burden in the Capital Regional District

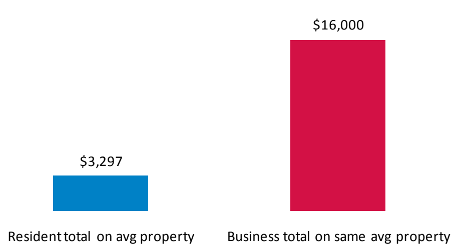
Capital Regional District	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
North Saanich	3,297	16,000	6.05 (4.85)	6.80 (5.27)	7.38 (4.82)	1
Metchosin	2,741	9,886	4.12 (3.61)	4.42 (3.78)	3.81 (3.17)	7
View Royal	2,678	9,663	3.77 (3.61)	4.00 (3.90)	3.32 (3.16)	15
Saanich	3,461	12,514	3.58 (3.62)	3.82 (3.81)	2.85 (2.92)	23
Highlands	3,330	10,783	3.17 (3.24)	3.70 (3.52)	3.50 (3.11)	42
Victoria	3,444	12,478	3.59 (3.62)	3.66 (3.71)	2.63 (2.78)	21
Colwood	2,769	9,905	3.67 (3.58)	3.58 (3.58)	3.45 (3.05)	19
Sooke	2,298	7,263	2.96 (3.16)	3.29 (3.40)	2.84 (2.80)	65
Langford	2,281	7,408	3.16 (3.25)	3.16 (3.30)	2.60 (2.66)	43
Esquimalt	3,562	10,806	2.74 (3.03)	2.99 (3.23)	2.98 (2.99)	80
Sidney	2,744	8,523	2.65 (3.11)	2.84 (3.27)	2.50 (2.78)	89
Central Saanich	3,135	8,788	2.14 (2.80)	2.38 (3.00)	2.20 (2.64)	129
Oak Bay	4,788	12,075	1.73 (2.52)	1.79 (2.61)	1.50 (2.13)	150

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In North Saanich, a total property tax gap of 4.85 translates into a $16,000 tax bill on a business property and a $3,297 bill on a residential property of the same value - $770,680 (see Figure 14).

Figure 14:

North Saanich: Business vs. Residential Property Tax on a Representative Property

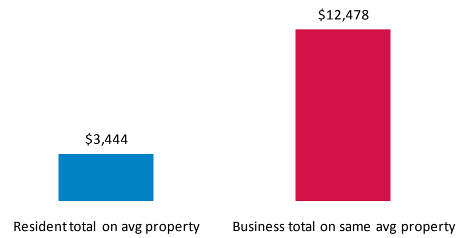


Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

In Victoria, a total property tax gap of 3.62 translates into a $12,478 tax bill on a business property and a $3,444 bill on a residential property of the same value - $526,611 (see Figure 15).

Figure 15:

Victoria: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Comox Strathcona

In the Comox Strathcona region, the municipality with the highest burden on its small business properties is Comox, with a municipal property tax gap of 3.82 (see Table 12). The largest municipality in the region, Campbell River, has a municipal gap of 2.72.

Table 12:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Comox Strathcona

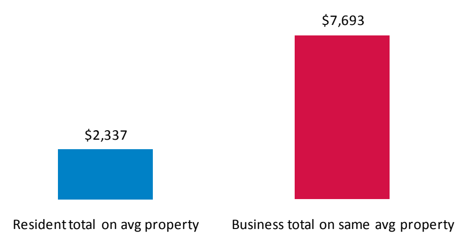
Comox Strathcona	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Comox	2,337	7,693	3.82 (3.29)	4.16 (3.60)	3.15 (2.69)	14
Courtenay	2,135	6,292	3.10 (2.95)	3.30 (3.14)	2.90 (2.63)	49
Campbell River	2,279	6,151	2.72 (2.70)	3.29 (3.08)	2.65 (2.45)	84
Zeballos	1,143	2,414	2.40 (2.11)	2.45 (2.17)	2.44 (1.81)	112
Sayward	1,422	3,512	2.36 (2.47)	2.45 (2.57)	2.13 (2.15)	115
Gold River	1,568	2,972	2.13 (1.90)	2.26 (2.00)	1.30 (1.24)	130
Tahsis	1,443	2,711	2.00 (1.88)	2.17 (2.00)	0.82 (0.97)	137
Cumberland	2,184	4,888	1.84 (2.24)	1.94 (2.31)	1.60 (1.84)	148

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Comox, a total property tax gap of 3.29 translates into a $7,693 tax bill on a business property and a $2,337 bill on a residential property of the same value - $336,015 (see Figure 16).

Figure 16:

Comox: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Cowichan Valley

In the Cowichan Valley, the municipality with the highest burden on its small business properties is Ladysmith, with a municipal property tax gap of 3.49 (see Table 14).

Table 14:

Snapshot of the Property Tax Gap and Average Property Tax Burden in Cowichan Valley

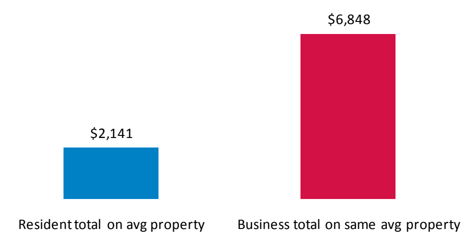
Cowichan Valley	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Ladysmith	2,141	6,848	3.49 (3.20)	3.84 (3.43)	3.03 (2.67)	28
North Cowichan	1,852	5,619	3.26 (3.03)	3.77 (3.29)	3.48 (2.70)	36
Duncan	2,240	6,769	3.25 (3.02)	3.29 (3.08)	2.68 (2.50)	37
Lake Cowichan	2,135	6,211	3.15 (2.91)	3.25 (3.02)	2.50 (2.43)	44

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Ladysmith, a total property tax gap of 3.20 translates into a $6,848 tax bill on a business property and a $2,141 bill on a residential property of the same value - $293,645 (see Figure 17).

Figure 17:

Ladysmith: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Nanaimo

In the Nanaimo region, the municipality with the highest burden on its small business properties is Lantzville, with a municipal property tax gap of 4.00 (see Table 15). The largest municipality in the region, Nanaimo, has a municipal gap of 2.68.

Table 15:

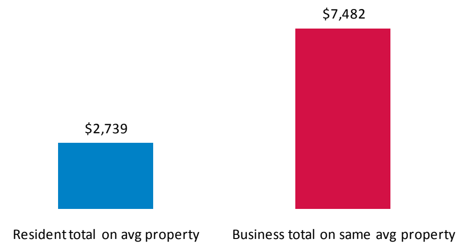
Snapshot of the Property Tax Gap and Average Property Tax Burden in Nanaimo

Nanaimo	2010 Total taxes paid by resident on avg house value ($)	2010 Total taxes paid by business on same value ($)	2010 Muni Gap (Total Gap)	2009 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2010 Muni tax gap RANK (1 being the worst)
Lantzville	2,366	7,589	4.00 (3.21)	4.00 (3.26)	n/a	10
Qualicum Beach	2,963	8,514	2.75 (2.87)	3.07 (3.14)	2.45 (2.46)	79
Nanaimo	2,739	7,482	2.68 (2.73)	2.95 (2.94)	2.27 (2.27)	86
Parksville	2,398	6,384	2.46 (2.66)	2.69 (2.86)	1.79 (2.02)	99

Source: BC Ministry of Community, Sport & Cultural Development 2003-2010 statistics. Note: For average property values in each municipality, please consult Appendix 2.

In Nanaimo, a total property tax gap of 2.73 translates into a $7,482 tax bill on a business property and a $2,739 bill on a residential property of the same value - $319,994 (see Figure 18).

Figure 18:
Nanaimo: Business vs. Residential Property Tax on a Representative Property



Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Conclusions

Small business owners are continuing to suffer the consequences of unfair taxation. The gap between what residential owners and business owners pay on their properties has been widening steadily for 20 years with the exception of 2010, to a point where business owners are paying on average at least twice as much.

It would be one thing if they were consuming that much more in municipal services, but they are not.

Until municipalities start taking responsibility for reversing this crippling trend, local economies will continue to see less employment and economic growth from a sector that provides more than a million jobs in BC every year.

CFIB's extensive research and measuring of municipal spending shows there is plenty of room for governments to trim spending and bring costs in line, without having to turn to small business as a source of additional revenue.

Recommendations

In making these recommendations, CFIB points out that these are all measures small business owners have called for in previous years. They know what the solutions are, but continue to wait on Municipal and Provincial Governments to show leadership and implement real change.

1. **Municipal governments must cap the property tax gap between business and residents at a maximum of 2 to 1.** This can happen over time, by freezing taxes on business properties. Communities that have already achieved a 2 to 1 ratio or lower must continue to monitor and control their gaps. 79 per cent of small business owners surveyed support a cap on the property tax gap.[7]

2. **The Provincial Government must appoint a Municipal Auditor General to independently and regularly monitor, review and report on local government spending.** The Municipal Auditor General's oversight would increase transparency and ensure that tax dollars are spent appropriately and responsibly. Such a change has the backing of 85 per cent of business owners.[8]

3. **Bring back the business vote in Municipal Elections.** CFIB's 2011 Municipal Property Tax report shows municipal government is capable of incremental improvement. But municipal politicians will lack the political will to take action and show accountability, until they are confronted with the political motivation to do so. This November, BC voters will go to the polls in municipal elections. No taxation without representation is a tenet of democracy. Unfortunately in BC, it does not apply to small business owners who do not have the luxury of living in the communities where they operate. Sixty-four per cent of

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[7] CFIB, *Focus on British Columbia survey*, September – October 2009.

[8] CFIB, *Focus on British Columbia survey*, August-October 2008.

business owners surveyed want to see a return of the Municipal Business Vote.[9]

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[9] CFIB, *2008 BC Mayoral Candidates' Survey*, October 2008.

Appendix 1

Municipal Property Tax Gap Rankings

Municipality	Type of Muni	Muni Gap 2010	Rank
North Saanich	D	6.05	1
Revelstoke	C	5.86	2
Kitimat*	D	4.69	3
Coquitlam	C	4.69	4
Vancouver	C	4.55	5
Tumbler Ridge	D	4.33	6
Metchosin	D	4.12	7
Castlegar	C	4.04	8
Ashcroft	V	4.01	9
Lantzville	D	4.00	10
North Vancouver	C	3.94	11
Burnaby	C	3.88	12
Logan Lake	D	3.87	13
Comox	T	3.82	14
View Royal	T	3.77	15
Whistler	D	3.75	16
Terrace	C	3.73	17
New Westminster	C	3.73	18
Colwood	C	3.67	19
Hudson's Hope	D	3.67	20
Victoria	C	3.59	21
Sparwood	D	3.58	22
Saanich	D	3.58	23
Port Coquitlam	C	3.58	24
Port Hardy	D	3.56	25
Harrison Hot Springs	V	3.50	26
Clearwater	D	3.50	27
Ladysmith	T	3.49	28
Grand Forks	C	3.47	29
Richmond	C	3.46	30
Smithers	T	3.42	31
Pitt Meadows	C	3.36	32
Powell River*	C	3.35	33
North Vancouver	D	3.32	34
Princeton	T	3.29	35
North Cowichan	D	3.26	36
Duncan	C	3.25	37
Lake Country	D	3.19	38
Merritt	C	3.19	39
Tofino	D	3.17	40
Mission	D	3.17	41
Highlands	D	3.17	42
Langford	C	3.16	43
Lake Cowichan	T	3.15	44
Cranbrook	C	3.13	45
Kent	D	3.12	46
Kamloops	C	3.12	47
Gibsons	T	3.11	48
Courtenay	C	3.10	49
Lillooet	D	3.10	50
Northern Rockies	D	3.10	51
Spallumcheen	D	3.10	52
Armstrong	C	3.09	53
Delta	D	3.04	54
Vanderhoof	D	3.03	55
Summerland	D	3.03	56
Fort St. James	D	3.00	57
Maple Ridge	D	3.00	58
Invermere	D	3.00	59
Alert Bay	V	3.00	60
Surrey	C	3.00	61
Fraser Lake	V	3.00	62
Port Moody	C	2.99	63
Chase	V	2.96	64
Sooke	D	2.96	65
Prince Rupert	C	2.92	66

Municipality	Type of Muni	Muni Gap 2010	Rank
Quesnel	C	2.91	67
Houston	D	2.90	68
Dawson Creek*	C	2.87	69
Langley	D	2.85	70
Fort St. John	C	2.85	71
Queen Charlotte	V	2.81	72
Oliver	T	2.80	73
Ucluelet	D	2.79	74
Vernon	C	2.78	75
Squamish	D	2.76	76
Golden	T	2.75	77
Elkford	D	2.75	78
Qualicum Beach	T	2.75	79
Esquimalt	D	2.74	80
Salmon Arm	C	2.74	81
Kimberley*	C	2.73	82
Nakusp	V	2.73	83
Campbell River	C	2.72	84
Kaslo	V	2.70	85
Nanaimo	C	2.68	86
Abbotsford	C	2.65	87
Barriere	D	2.65	88
Sidney	T	2.65	89
Wells	D	2.62	90
Lytton	V	2.62	91
Clinton	V	2.61	92
Nelson	C	2.50	93
McBride	V	2.50	94
Port Edward	D	2.50	94
Hope	D	2.50	96
Fernie	C	2.48	97
White Rock	C	2.46	98
Parksville	C	2.46	99
Belcarra	V	2.45	100
Pouce Coupe	V	2.45	101
Hazelton	V	2.45	102
Granisle	V	2.45	103
West Kelowna	D	2.45	104
New Hazelton	D	2.45	105
Sechelt Indian Government	D	2.45	106
Masset	V	2.45	107
Sicamous	D	2.45	108
Lions Bay	V	2.45	109
Chetwynd	D	2.40	110
Coldstream	D	2.40	111
Zeballos	V	2.40	112
Enderby	C	2.39	113
Kelowna	C	2.38	114
Sayward	V	2.36	115
Keremeos	V	2.35	116
Valemount	V	2.32	117
Cache Creek	V	2.32	118
Telkwa	V	2.31	119
100 Mile House	D	2.29	120
Midway	V	2.29	121
Radium Hot Springs	V	2.28	122
Pemberton	V	2.25	123
Burns Lake	V	2.24	124
Fruitvale	V	2.20	125
Langley	C	2.20	126
Salmo	V	2.15	127
Chilliwack	C	2.15	128
Central Saanich	D	2.14	129
Gold River	V	2.13	130
Port Alberni	C	2.10	131
West Vancouver	D	2.09	132
Williams Lake	C	2.07	133
Prince George	C	2.05	134
Greenwood	C	2.05	135
Sechelt	D	2.05	136
Tahsis	V	2.00	137
Canal Flats	V	2.00	138
New Denver	V	2.00	138
Port Clements	V	2.00	138
Montrose	V	2.00	141

Municipality	Type of Muni	Muni Gap 2010	Rank
Peachland	D	2.00	142
Lumby	V	1.99	143
Mackenzie	D	1.99	144
Stewart	D	1.96	145
Penticton	C	1.90	146
Port Alice	V	1.84	147
Cumberland	V	1.84	148
Creston	T	1.81	149
Oak Bay	D	1.73	150
Rossland	C	1.71	151
Silverton	V	1.70	152
Trail*	C	1.66	153
Osoyoos	T	1.60	154
Taylor	D	1.57	155
Slocan	V	1.55	156
Port McNeill	T	1.50	157
Anmore	V	1.00	158
Bowen Island	D	1.00	158
Warfield	V	1.00	158

*Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.*Indicates a flat tax. D is District, C is City, V is Village, T is Town.*

Appendix 2:

Data by Municipality

Municipality	Rank	Muni Gap 2010	Total Gap 2010	Avg House Value ($)	Resident Pays Total ($)	Business Pays Total ($)
100 Mile House	120	2.29	2.30	180,840	1,762	4,056
Abbotsford	87	2.65	2.72	377,482	2,868	7,801
Alert Bay	60	3.00	2.61	162,343	1,801	4,694
Anmore	158	1.00	2.69	996,265	4,002	10,757
Armstrong	53	3.09	2.95	309,729	1,677	4,954
Ashcroft	9	4.01	2.96	184,532	1,685	4,986
Barriere	88	2.65	2.64	190,915	1,403	3,705
Belcarra	100	2.45	3.14	853,693	3,286	10,304
Bowen Island	158	1.00	2.78	778,110	3,258	9,048
Burnaby	12	3.88	3.85	700,739	3,438	13,228
Burns Lake	124	2.24	2.12	112,323	1,696	3,594
Cache Creek	118	2.32	2.23	145,679	1,023	2,278
Campbell River	84	2.72	2.70	267,675	2,279	6,151
Canal Flats	138	2.00	2.41	204,007	1,566	3,771
Castlegar	8	4.04	3.05	245,436	1,753	5,344
Central Saanich	129	2.14	2.80	553,279	3,135	8,788
Chase	64	2.96	2.79	214,165	1,685	4,698
Chetwynd	110	2.40	2.28	146,325	1,701	3,882
Chilliwack	128	2.15	2.35	319,726	2,414	5,676
Clearwater	27	3.50	2.97	196,580	1,548	4,591
Clinton	92	2.61	2.44	107,722	1,364	3,325
Coldstream	111	2.40	2.66	467,941	3,146	8,356
Colwood	19	3.67	3.58	479,563	2,769	9,905
Comox	14	3.82	3.29	336,015	2,337	7,693
Coquitlam	4	4.69	4.24	578,133	3,260	13,806
Courtenay	49	3.10	2.95	286,685	2,135	6,292
Cranbrook	45	3.13	2.99	260,866	2,287	6,844
Creston	149	1.81	2.25	207,784	2,032	4,581
Cumberland	148	1.84	2.24	252,726	2,184	4,888
Dawson Creek*	69	2.87	2.92	199,115	2,033	5,937
Delta	54	3.04	3.29	517,535	3,155	10,390
Duncan	37	3.25	3.02	289,981	2,240	6,769
Elkford	78	2.75	2.72	211,632	1,617	4,401
Enderby	113	2.39	2.61	256,596	1,718	4,490
Esquimalt	80	2.74	3.03	476,549	3,562	10,806
Fernie	97	2.48	2.56	374,982	2,827	7,239
Fort St. James	57	3.00	2.41	104,076	1,263	3,047
Fort St. John	71	2.85	2.67	259,023	2,438	6,517
Fraser Lake	62	3.00	2.43	121,286	1,508	3,665
Fruitvale	125	2.20	2.37	210,054	1,959	4,633
Gibsons	48	3.11	2.99	401,138	2,508	7,506
Gold River	130	2.13	1.90	140,434	1,568	2,972
Golden	77	2.75	2.81	255,566	1,974	5,543
Grand Forks	29	3.47	2.86	202,044	1,617	4,630
Granisle	103	2.45	2.33	52,895	1,579	3,683
Greenwood	135	2.05	2.24	127,335	1,286	2,882
Harrison Hot Springs	26	3.50	2.97	326,797	2,201	6,541
Hazelton	102	2.45	2.24	99,096	1,353	3,036
Highlands	42	3.17	3.24	641,357	3,330	10,783
Hope	96	2.50	2.48	221,068	1,975	4,905

Municipality	Rank	Muni Gap 2010	Total Gap 2010	Avg House Value ($)	Resident Pays Total ($)	Business Pays Total ($)
Houston	68	2.90	2.60	114,109	1,401	3,649
Hudson's Hope	20	3.67	2.97	132,089	944	2,807
Invermere	59	3.00	2.95	405,556	2,468	7,276
Kamloops	47	3.12	2.97	327,769	2,592	7,687
Kaslo	85	2.70	2.64	208,991	1,402	3,705
Kelowna	114	2.38	2.72	454,442	2,811	7,653
Kent	46	3.12	2.82	290,895	1,903	5,359
Keremeos	116	2.35	2.51	229,585	1,842	4,617
Kimberley*	82	2.73	3.91	261,564	1,711	6,689
Kitimat*	3	4.69	5.37	156,508	768	4,126
Ladysmith	28	3.49	3.20	293,645	2,141	6,848
Lake Country	38	3.19	3.18	500,235	2,826	8,979
Lake Cowichan	44	3.15	2.91	252,320	2,135	6,211
Langford	43	3.16	3.25	437,385	2,281	7,408
Langley C	126	2.20	2.69	421,802	2,725	7,331
Langley D	70	2.85	3.11	466,658	2,697	8,389
Lantzville	10	4.00	3.21	434,212	2,366	7,589
Lillooet	50	3.10	2.60	168,861	1,493	3,885
Lions Bay	109	2.45	3.67	1,092,778	3,882	14,248
Logan Lake	13	3.87	3.37	193,496	1,311	4,417
Lumby	143	1.99	2.46	251,951	2,289	5,630
Lytton	91	2.62	2.41	109,750	1,162	2,801
Mackenzie	144	1.99	2.07	77,172	1,007	2,080
Maple Ridge	58	3.00	3.15	433,135	2,831	8,918
Masset	107	2.45	2.10	83,684	1,047	2,203
McBride	94	2.50	2.39	105,929	1,554	3,709
Merritt	39	3.19	2.85	209,273	1,925	5,486
Metchosin	7	4.12	3.61	571,027	2,741	9,886
Midway	121	2.29	2.42	180,859	1,229	2,980
Mission	41	3.17	3.12	380,693	2,747	8,582
Montrose	141	2.00	2.38	229,115	1,743	4,147
Nakusp	83	2.73	2.60	221,390	1,787	4,647
Nanaimo	86	2.68	2.73	319,994	2,739	7,482
Nelson	93	2.50	2.55	331,295	2,773	7,081
New Denver	138	2.00	2.35	196,252	1,174	2,763
New Hazelton	105	2.45	2.28	75,926	1,268	2,895
New Westminster	18	3.73	3.63	555,939	3,543	12,852
North Cowichan	36	3.26	3.03	326,149	1,852	5,619
North Saanich	1	6.05	4.85	770,680	3,297	16,000
North Vancouver C	11	3.94	4.02	739,726	3,428	13,793
North Vancouver D	34	3.32	3.68	829,762	3,938	14,508
Northern Rockies	51	3.10	2.73	193,773	1,600	4,364
Oak Bay	150	1.73	2.52	835,545	4,788	12,075
Oliver	73	2.80	2.71	289,771	1,792	4,858
Osoyoos	154	1.60	2.24	376,842	1,950	4,374
Parksville	99	2.46	2.66	305,073	2,398	6,384
Peachland	142	2.00	2.58	436,348	2,490	6,424
Pemberton	123	2.25	2.85	454,507	2,503	7,136
Penticton	146	1.90	2.33	363,160	2,422	5,639
Pitt Meadows	32	3.36	3.37	417,356	2,595	8,732
Port Alberni	131	2.10	2.26	192,607	2,096	4,734
Port Alice	147	1.84	2.00	130,000	1,158	2,316
Port Clements	138	2.00	1.83	86,912	950	1,739

Municipality	Rank	Muni Gap 2010	Total Gap 2010	Avg House Value ($)	Resident Pays Total ($)	Business Pays Total ($)
Port Coquitlam	24	3.58	3.60	465,984	2,918	10,508
Port Edward	94	2.50	2.19	100,198	1,062	2,327
Port Hardy	25	3.56	2.81	151,034	1,454	4,085
Port McNeill	157	1.50	1.89	184,977	1,787	3,385
Port Moody	63	2.99	3.26	647,527	3,706	12,099
Pouce Coupe	101	2.45	2.26	141,951	1,248	2,816
Powell River*	33	3.35	3.89	236,917	1,763	6,857
Prince George	134	2.05	2.10	200,288	2,444	5,128
Prince Rupert	66	2.92	2.55	162,195	2,276	5,812
Princeton	35	3.29	2.84	162,887	1,135	3,228
Qualicum Beach	79	2.75	2.87	422,438	2,963	8,514
Queen Charlotte	72	2.81	2.04	135,818	1,148	2,341
Quesnel	67	2.91	2.35	157,397	1,628	3,831
Radium Hot Springs	122	2.28	2.66	252,350	1,331	3,540
Revelstoke	2	5.86	4.58	325,974	1,987	9,093
Richmond	30	3.46	3.60	684,769	3,269	11,780
Rossland	151	1.71	2.04	259,723	2,857	5,825
Saanich	23	3.58	3.62	589,641	3,461	12,514
Salmo	127	2.15	2.43	166,968	1,235	3,003
Salmon Arm	81	2.74	2.80	291,249	2,093	5,865
Sayward	115	2.36	2.47	154,419	1,422	3,512
Sechelt	136	2.05	2.62	412,218	2,686	7,045
Sechelt Indian Government	106	2.45	2.78	254,552	1,669	4,634
Sicamous	108	2.45	2.62	308,427	2,245	5,892
Sidney	89	2.65	3.11	484,648	2,744	8,523
Silverton	152	1.70	2.23	244,447	1,525	3,397
Slocan	156	1.55	2.21	148,341	1,080	2,390
Smithers	31	3.42	2.77	209,265	2,099	5,805
Sooke	65	2.96	3.16	370,719	2,298	7,263
Spallumcheen	52	3.10	2.98	268,506	1,632	4,871
Sparwood	22	3.58	3.07	209,353	1,330	4,080
Squamish	76	2.76	3.10	459,280	2,643	8,187
Stewart	145	1.96	1.94	63,781	996	1,932
Summerland	56	3.03	3.00	408,528	2,270	6,812
Surrey	61	3.00	3.31	531,813	2,610	8,627
Tahsis	137	2.00	1.88	95,901	1,443	2,711
Taylor	155	1.57	2.07	208,060	1,550	3,213
Telkwa	119	2.31	2.26	178,316	1,909	4,321
Terrace	17	3.73	2.95	184,140	2,120	6,248
Tofino	40	3.17	3.13	684,134	3,534	11,045
Trail*	153	1.66	2.26	185,459	1,647	3,724
Tumbler Ridge	6	4.33	3.29	161,856	1,687	5,552
Ucluelet	74	2.79	2.69	298,036	2,082	5,602
Valemount	117	2.32	2.29	156,894	1,631	3,737
Vancouver	5	4.55	4.42	958,444	4,043	17,854
Vanderhoof	55	3.03	2.37	168,062	1,823	4,317
Vernon	75	2.78	2.78	380,408	2,763	7,684
Victoria	21	3.59	3.62	546,131	3,444	12,478
View Royal	15	3.77	3.61	532,732	2,678	9,663
Warfield	158	1.00	1.84	209,504	1,860	3,431
Wells	90	2.62	2.25	59,622	586	1,318
West Kelowna	104	2.45	2.78	475,756	2,785	7,749
West Vancouver	132	2.09	3.29	1,443,075	6,003	19,746
Whistler	16	3.75	3.78	1,335,000	5,683	21,461
White Rock	98	2.46	2.92	700,939	4,365	12,724
Williams Lake	133	2.07	2.20	185,655	1,992	4,387
Zeballos	112	2.40	2.11	80,098	1,143	2,414

*Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.*Indicates a flat tax. D is District, C is City.*

Appendix 3

Changes in Municipal Property Tax Gap 2009-2010

Municipality	Type of Muni	Muni Gap 2010	Change in Muni Gap	Rank
Castlegar	C	4.04	-1.4	8
Tumbler Ridge	D	4.33	-1.1	6
Port Alberni	C	2.10	-0.8	131
Revelstoke	C	5.86	-0.8	2
North Saanich	D	6.05	-0.7	1
Gibsons	T	3.11	-0.6	48
Princeton	T	3.29	-0.6	35
Campbell River	C	2.72	-0.6	84
Prince Rupert	C	2.92	-0.5	66
Logan Lake	D	3.87	-0.5	13
Highlands	D	3.17	-0.5	42
North Cowichan	D	3.26	-0.5	36
Port Coquitlam	C	3.58	-0.4	24
Radium Hot Springs	V	2.28	-0.4	122
North Vancouver	C	3.94	-0.4	11
Lake Country	D	3.19	-0.3	38
Ladysmith	T	3.49	-0.3	28
Comox	T	3.82	-0.3	14
Mission	D	3.17	-0.3	41
Port Moody	C	2.99	-0.3	63
Kelowna	C	2.38	-0.3	114
Sooke	D	2.96	-0.3	65
Qualicum Beach	T	2.75	-0.3	79
Summerland	D	3.03	-0.3	56
Chilliwack	C	2.15	-0.3	128
Chetwynd	D	2.40	-0.3	110
Metchosin	D	4.12	-0.3	7
Maple Ridge	D	3.00	-0.3	58
Vancouver	C	4.55	-0.3	5
Coquitlam	C	4.69	-0.3	4
Wells	D	2.62	-0.3	90
Salmon Arm	C	2.74	-0.3	81
Delta	D	3.04	-0.3	54
Vernon	C	2.78	-0.3	75
Pitt Meadows	C	3.36	-0.3	32
Nanaimo	C	2.68	-0.3	86
Powell River*	C	3.35	-0.3	33
Langley	D	2.85	-0.3	70
Abbotsford	C	2.65	-0.2	87
Ucluelet	D	2.79	-0.2	74
Esquimalt	D	2.74	-0.2	80
Saanich	D	3.58	-0.2	23
West Vancouver	D	2.09	-0.2	132
White Rock	C	2.46	-0.2	98
Central Saanich	D	2.14	-0.2	129
Surrey	C	3.00	-0.2	61
View Royal	T	3.77	-0.2	15
Parksville	C	2.46	-0.2	99
Queen Charlotte	V	2.81	-0.2	72
Smithers	T	3.42	-0.2	31
Lumby	V	1.99	-0.2	143
Courtenay	C	3.10	-0.2	49
Canal Flats	V	2.00	-0.2	138
Kimberley*	C	2.73	-0.2	82
Creston	T	1.81	-0.2	149
Kamloops	C	3.12	-0.2	47
Sidney	T	2.65	-0.2	89
Penticton	C	1.90	-0.2	146
Merritt	C	3.19	-0.2	39
Mackenzie	D	1.99	-0.2	144
Dawson Creek*	C	2.87	-0.2	69
Cranbrook	C	3.13	-0.2	45
Tahsis	V	2.00	-0.2	137
North Vancouver	D	3.32	-0.2	34
Langley	C	2.20	-0.2	126
Hope	D	2.50	-0.1	96
Oliver	T	2.80	-0.1	73
Gold River	V	2.13	-0.1	130
Burnaby	C	3.88	-0.1	12
Terrace	C	3.73	-0.1	17
Nelson	C	2.50	-0.1	93
New Westminster	C	3.73	-0.1	18
Lake Cowichan	T	3.15	-0.1	44
Prince George	C	2.05	-0.1	134
Cumberland	V	1.84	-0.1	148
Sayward	V	2.36	-0.1	115
Silverton	V	1.70	-0.1	152
Armstrong	C	3.09	-0.1	53
Victoria	C	3.59	-0.1	21
Port Hardy	D	3.56	-0.1	25
Oak Bay	D	1.73	-0.1	150
Kent	D	3.12	-0.1	46
Enderby	C	2.39	-0.1	113
Zeballos	V	2.40	-0.1	112
Salmo	V	2.15	0.0	127
Duncan	C	3.25	0.0	37
Houston	D	2.90	0.0	68
Richmond	C	3.46	0.0	30
Trail*	C	1.66	0.0	153
Sechelt Indian Government	D	2.45	0.0	106
Peachland	D	2.00	0.0	142
Lions Bay	V	2.45	0.0	109
Grand Forks	C	3.47	0.0	29
Sicamous	D	2.45	0.0	108
Pemberton	V	2.25	0.0	123
Burns Lake	V	2.24	0.0	124
Spallumcheen	D	3.10	0.0	52
Port Clements	V	2.00	0.0	138
West Kelowna	D	2.45	0.0	104
Sechelt	D	2.05	0.0	136
Invermere	D	3.00	0.0	59
Anmore	V	1.00	0.0	158
Bowen Island	D	1.00	0.0	158
Granisle	V	2.45	0.0	103
Hudson's Hope	D	3.67	0.0	20
Lantzville	D	4.00	0.0	10
Masset	V	2.45	0.0	107
McBride	V	2.50	0.0	94
New Denver	V	2.00	0.0	138
Port Edward	D	2.50	0.0	94
Port McNeill	T	1.50	0.0	157
Telkwa	V	2.31	0.0	119
Vanderhoof	D	3.03	0.0	55
Warfield	V	1.00	0.0	158
Alert Bay	V	3.00	0.0	60
Port Alice	V	1.84	0.0	147
Pouce Coupe	V	2.45	0.0	101
Golden	T	2.75	0.0	77
Greenwood	C	2.05	0.0	135
Fruitvale	V	2.20	0.0	125
Northern Rockies	D	3.10	0.0	51
Kaslo	V	2.70	0.0	85
Rossland	C	1.71	0.0	151
New Hazelton	D	2.45	0.0	105
Fort St. John	C	2.85	0.0	71
Langford	C	3.16	0.0	43
Osoyoos	T	1.60	0.0	154
Hazelton	V	2.45	0.0	102
Montrose	V	2.00	0.0	141
Nakusp	V	2.73	0.0	83
Belcarra	V	2.45	0.0	100
Coldstream	D	2.40	0.0	111
Squamish	D	2.76	0.0	76
Keremeos	V	2.35	0.0	116
Taylor	D	1.57	0.0	155
Tofino	D	3.17	0.1	40
Fraser Lake	V	3.00	0.1	62
Williams Lake	C	2.07	0.1	133
Colwood	C	3.67	0.1	19

Municipality	Type of Muni	Muni Gap 2010	Change in Muni Gap	Rank
Sparwood	D	3.58	0.1	22
Fort St. James	D	3.00	0.1	57
100 Mile House	D	2.29	0.1	120
Chase	V	2.96	0.1	64
Cache Creek	V	2.32	0.1	118
Elkford	D	2.75	0.1	78
Slocan	V	1.55	0.2	156
Barriere	D	2.65	0.2	88
Stewart	D	1.96	0.2	145
Fernie	C	2.48	0.2	97
Quesnel	C	2.91	0.2	67
Ashcroft	V	4.01	0.2	9
Lytton	V	2.62	0.2	91
Clearwater	D	3.50	0.2	27
Clinton	V	2.61	0.3	92
Whistler	D	3.75	0.3	16
Midway	V	2.29	0.3	121
Harrison Hot Springs	V	3.50	0.4	26
Lillooet	D	3.10	0.5	50
Valemount	V	2.32	0.5	117
Kitimat*	D	4.69	0.8	3

*Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.*Indicates a flat tax. D is District, C is City, V is Village, T is Town.*

Appendix 4

Flat Taxes

What is different about flat taxes?

The vast majority of the property tax system is assessed using a variable rate. Similar to sales taxes, the majority of property taxes are levied as a rate (or percentage) on the assessed value of the property. For example, as a $10 purchase or $100 purchase both pay 5% sales tax, a $100,000 and $1,000,000 house both pay the same property tax rate in the same municipality. Flat taxes are a levy of a specific dollar amount on a property type, regardless of the assessed property value. They cause distortions when comparing the burden of property taxes on different property classes. Flat taxes can be used in conjunction with variable taxes.

Why are municipalities allowed to impose flat taxes?

BC Assessment used to only do property assessments every other year. In 1989, this was causing some problems with huge jumps in value. A few communities implemented flat taxes in 1990 as a means to mitigate the inconsistent assessment changes year to year. The flat tax section was only in the provincial legislation for 1990 and 1991 then it was removed in 1992 primarily because BC Assessments began annual assessments, smoothing out large assessment jumps. Municipalities that introduced flat taxes in 1990 or 1991 are allowed to keep them; however, no municipality can now introduce a flat tax.

How much were flat taxes in 2010?

Dawson Creek: $300

Powell River: $479

Trail: $130

Kimberley: $686

Kitimat: $571

Appendix 5

Other Municipal Charges

The variable tax rate does not represent the full tax bill in municipalities—often there are other municipal charges, such as parcel taxes and local area service charges that are also levied. The following table lists how the total tax bill (representing 100 per cent) among all property classes is divided among variable rate taxes and other municipal charges. Across the province, other municipal charges represent 15.3 per cent of the total tax bill. These charges are not captured in the property tax gap calculations.

Municipality	Total Variable Rate Taxes	Total Other Municipal Charges
100 Mile House	86.2%	13.8%
Abbotsford	82.9%	17.1%
Alert Bay	64.3%	35.7%
Anmore	87.0%	13.0%
Armstrong	74.1%	25.9%
Ashcroft	70.4%	29.6%
Barriere	96.5%	3.5%
Belcarra	95.2%	4.8%
Bowen Island	80.7%	19.3%
Burnaby	89.5%	10.5%
Burns Lake	71.9%	28.1%
Cache Creek	69.7%	30.3%
Campbell River	81.4%	18.6%
Canal Flats	81.0%	19.0%
Castlegar	83.9%	16.1%
Central Saanich	76.6%	23.4%
Chase	81.1%	18.9%
Chetwynd	81.3%	18.7%
Chilliwack	84.0%	16.0%
Clearwater	87.7%	12.3%
Clinton	86.5%	13.5%
Coldstream	97.9%	2.1%
Colwood	92.1%	7.9%
Comox	72.9%	27.1%
Coquitlam	81.2%	18.8%
Courtenay	83.6%	16.4%
Cranbrook	77.6%	22.4%
Creston	72.8%	27.2%
Cumberland	79.4%	20.6%
Dawson Creek	76.9%	23.1%
Delta	77.5%	22.5%
Duncan	71.9%	28.1%
Elkford	89.6%	10.4%
Enderby	66.4%	33.6%
Esquimalt	99.0%	1.0%
Fernie	83.8%	16.2%
Fort St. James	80.9%	19.1%
Fort St. John	82.7%	17.3%
Fraser Lake	83.7%	16.3%
Fruitvale	64.5%	35.5%
Gibsons	74.9%	25.1%
Gold River	81.8%	18.2%
Golden	81.2%	18.8%
Grand Forks	50.2%	49.8%
Granisle	97.3%	2.7%
Greenwood	77.6%	22.4%
Harrison Hot Springs	79.9%	20.1%
Hazelton	56.8%	43.2%
Highlands	99.3%	0.7%
Hope	81.2%	18.8%
Houston	82.1%	17.9%

Municipality	Total Variable Rate Taxes	Total Other Municipal Charges
Hudson's Hope	94.7%	5.3%
Invermere	73.8%	26.2%
Kamloops	81.1%	18.9%
Kaslo	74.4%	25.6%
Kelowna	86.2%	13.8%
Kent	98.9%	1.1%
Keremeos	84.2%	15.8%
Kimberley	77.0%	23.0%
Kitimat	96.1%	3.9%
Ladysmith	81.3%	18.7%
Lake Country	78.6%	21.4%
Lake Cowichan	76.5%	23.5%
Langford	95.9%	4.1%
Langley C	83.0%	17.0%
Langley D	87.6%	12.4%
Lantzville	82.8%	17.2%
Lillooet	76.9%	23.1%
Lions Bay	75.0%	25.0%
Logan Lake	77.7%	22.3%
Lumby	79.9%	20.1%
Lytton	81.9%	18.1%
Mackenzie	89.2%	10.8%
Maple Ridge	83.8%	16.2%
Masset	69.9%	30.1%
McBride	79.6%	20.4%
Merritt	77.2%	22.8%
Metchosin	99.0%	1.0%
Midway	76.8%	23.2%
Mission	80.8%	19.2%
Montrose	56.4%	43.6%
Nakusp	78.2%	21.8%
Nanaimo	87.2%	12.8%
Nelson	77.4%	22.6%
New Denver	74.2%	25.8%
New Hazelton	76.4%	23.6%
New Westminster	79.5%	20.5%
North Cowichan	79.2%	20.8%
North Saanich	93.8%	6.2%
North Vancouver D	87.4%	12.6%
North Vancouver C	83.3%	16.7%
Northern Rockies	92.4%	7.6%
Oak Bay	85.8%	14.2%
Oliver	76.6%	23.4%
Osoyoos	72.5%	27.5%
Parksville	81.3%	18.7%
Peachland	71.4%	28.6%
Pemberton	68.8%	31.2%
Penticton	80.4%	19.6%
Pitt Meadows	80.4%	19.6%
Port Alberni	85.9%	14.1%
Port Alice	84.9%	15.1%
Port Clements	65.8%	34.2%
Port Coquitlam	82.2%	17.8%
Port Edward	90.8%	9.2%
Port Hardy	63.3%	36.7%
Port McNeill	76.8%	23.2%
Port Moody	81.2%	18.8%
Pouce Coupe	59.0%	41.0%
Powell River	82.3%	17.7%
Prince George	84.6%	15.4%
Prince Rupert	81.1%	18.9%
Princeton	77.0%	23.0%
Qualicum Beach	86.1%	13.9%
Queen Charlotte	61.7%	38.3%
Quesnel	86.8%	13.2%
Radium Hot Springs	69.9%	30.1%
Revelstoke	84.4%	15.6%
Richmond	81.2%	18.8%
Rossland	80.9%	19.1%
Saanich	96.4%	3.6%
Salmo	64.3%	35.7%
Salmon Arm	80.2%	19.8%
Sayward	69.2%	30.8%
Sechelt	79.2%	20.8%
Sechelt Indian Government	89.0%	11.0%
Sicamous	85.0%	15.0%
Sidney	79.9%	20.1%
Silverton	78.4%	21.6%
Slocan	83.3%	16.7%
Smithers	84.7%	15.3%
Sooke	89.3%	10.7%
Spallumcheen	97.0%	3.0%
Sparwood	84.7%	15.3%
Squamish	83.7%	16.3%
Stewart	69.4%	30.6%
Summerland	69.8%	30.2%
Surrey	76.1%	23.9%
Tahsis	76.7%	23.3%
Taylor	86.0%	14.0%
Telkwa	67.1%	32.9%
Terrace	86.0%	14.0%
Tofino	99.4%	0.6%
Trail	85.8%	14.2%
Tumbler Ridge	94.5%	5.5%
Ucluelet	79.3%	20.7%
Valemount	77.1%	22.9%
Vancouver	92.8%	7.2%
Vanderhoof	84.3%	15.7%
Vernon	75.4%	24.6%
Victoria	86.4%	13.6%
View Royal	91.5%	8.5%
Warfield	66.6%	33.4%
Wells	52.4%	47.6%
West Kelowna	84.7%	15.3%
West Vancouver	82.6%	17.4%
Whistler	81.6%	18.4%
White Rock	85.4%	14.6%
Williams Lake	88.2%	11.8%
Zeballos	80.5%	19.5%

Source: CFIB analysis of BC Ministry of Community, Sport & Cultural Development 2010 statistics.

Appendix 6

Methodology

The municipal levy is calculated using only the municipal levy. Total property tax gaps include municipal, regional district, hospital, school, and other special taxes.

Municipal Business-Residential Property Tax Gap for municipalities with variable taxes only (see page 4 and Appendix 4 for calculating gaps using flat taxes).

$$= \frac{\text{Municipal Property Tax Rate (for Business)}}{\text{Municipal Property Tax Rate (for Residents)}}$$

Total Business-Residential Property Tax Gap:

$$= \frac{\text{Total Property Tax Rate (for Business)}}{\text{Total Property Tax Rate (for Residents)}}$$

A tax gap of one indicates equal treatment for commercial and residential property. When the tax gap is greater than one, business pay proportionally more than residents while a tax gap less than one indicates that residents pay proportionally more than businesses.

Notes: Some municipalities may have different rankings but same gaps due to rounding. Municipalities with the same gaps will result in the same ranking (tie).

Gap changes are rounded to 1 decimal place (small increases or decreases would be rounded to 0 and be considered as no change).