Revisiting municipal property tax fairness in British Columbia

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CANADIAN FEDERATION OF INDEPENDENT BUSINESS
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Key Takeaways

- Businesses pay a significantly higher property tax rate than residents. The property tax rate ratio in British Columbia (BC)'s 20 largest municipalities averages 2.96, meaning businesses pay almost three times the property tax rate of residents.
- In BC's 20 largest municipalities, businesses contribute 28% of property tax revenues while only accounting for 13% of total assessment— resulting in an unbalanced property tax fairness ratio of 2.2.
- Property taxes are expected to grow at a faster rate than municipal spending in all analyzed municipalities, suggesting a growing reliance on the already unfair property tax distribution.
- Rising property taxes are forcing over half (58%) of BC's small businesses to raise prices, over a third (36%) to forgo businesses expansion, and others to consider closing (21%) or relocating (21%).
- CFIB estimates that an annual 0.5% property tax shift over a period of four years (2% total) from commercial to residential properties in BC's four largest cities would save the typical commercial property assessed at $5 million almost $4,000 on average over four years.
- An average residential property in contrast would see an increase of just $242, which is 16 times smaller than the forecasted savings of the average business property. This difference is because there are far greater residential properties than business, allowing municipalities to spread property taxes across a larger property base.

Introduction

Throughout British Columbia (BC), small businesses help form the foundation of local communities. They provide employment opportunities for young workers, donate to local charities and sports teams, and procure goods and services from other local businesses. According to a recent CFIB study, for every dollar spent at a small business, 66 cents are recirculated in the local economy.[1] With strong personal connections between small business owners, employees, and customers, these businesses form an integral part of our social fabric, fostering a sense of community and belonging. Despite their small size, they contribute greatly to the province's economy. In 2022, small businesses with under 50 employees accounted for over half (51%) of BC's private sector employment.[2]

[1] *CFIB (2023), Small Business, Big Impact: Small Retailers' Local Contributions.*
[2] *Government of British Columbia (2023) Small Business Profile.*

Property taxes remain a top priority for BC small businesses. Rising property taxes have had a negative impact on both businesses and the province's economy. These costs have stopped small businesses from expanding, hiring more people and have forced them to raise prices. For over a decade, the Canadian Federation of Independent Business (CFIB) has tracked municipal property tax fairness in British Columbia. This edition[3] of the report ranks the severity of the imbalance between commercial and residential property taxes among BC's 20 largest municipalities. Further, it demonstrates how this existing imbalance can be reduced through a shift in property taxes from commercial to residential properties.

Primer on British Columbia's property taxes

Municipal property taxes in BC are determined in the following manner:

1. The government assesses every property (commercial and residential) to determine the value of each property.
2. The municipal government establishes a budget, deciding how much money they plan on spending, followed by how much money they will then have to raise through property taxes.
3. The government then determines what share of property taxes will come from commercial and residential property classes based on Council's and the municipality's priorities.
4. Based on the share of property taxes split between the two classes, the municipality calculates the mill rate[4] for each property class needed to raise the required amount of money.

$$Property\ taxes\ paid = \frac{Mill\ Rate}{1000} \times Assessment\ value$$

5. The mill rate (the amount of money paid for each dollar of property assessment value) is then applied to the value of every property owner's property as assessed by the government.

Small business owners' views on property taxes

Amid ongoing labour shortages, higher interest rates, persistent inflation, and lower consumer demand BC small businesses are struggling. As municipalities face similar challenges, most are looking to

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[3] *The previous edition of the BC property tax report was released in 2018. https://www.cfib-fcei.ca/en/media/big-cities-have-big-tax-imbalance*

[4] *The mill rate has been converted to a simple percentage tax rate by dividing the mill rate by 1000 in the report for clarity in various calculations.*

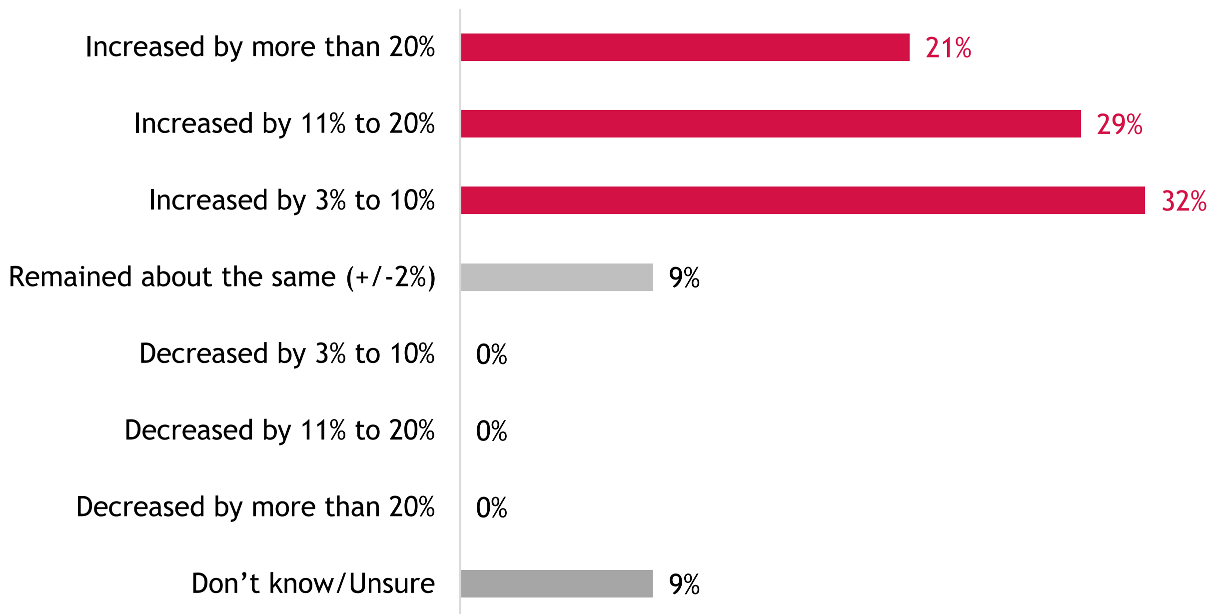
property tax increases to help make up for budget shortfalls. This decision has a direct impact on small businesses with over half (52%) identifying property taxes as the most harmful tax to their business.[5]

Property taxes are challenging because they are profit insensitive, meaning businesses must pay them regardless of revenue. Out of the BC small businesses that pay property taxes directly, 82% report that their property taxes have increased by at least three percent in the last year alone (Figure 1).[6] Given how slim profit margins are for small businesses, increases like these can seriously harm their bottom line.

Figure 1

Over three quarters of BC small businesses have seen property tax costs rise over the last year.

Over the last year, how have your businesses' property taxes or lease/rent bill changed? (Select one)



Source: CFIB, BC flash survey, August 29 – September 18 2023, final results, n=503.

While property tax increases also affect residents, the effect is significantly less than the impact on businesses. For example, a three percent increase in property taxes will increase the tax bill of the average commercial property in BC's four largest municipalities by an average of $670 – compared to just $68 for the average residential property— 10 times less than business costs (see Figure 2). This difference exists because there are far more residential properties to disperse the cost increase within the residential category, unlike the commercial category.

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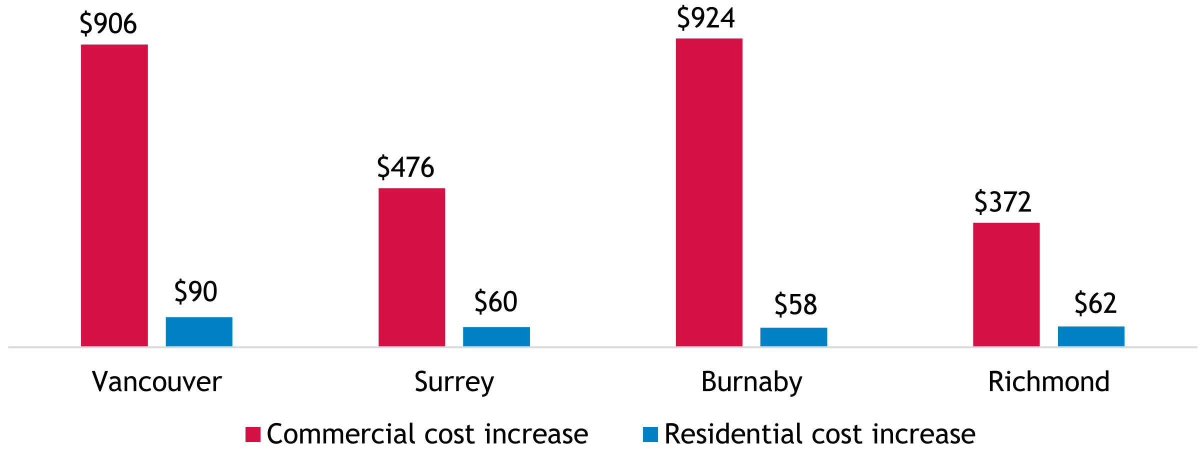
[5] CFIB, Your Voice Survey – November 2023, November 2 – 16, Final Results, BC n = 409.
[6] Figures may not add to 100% due to rounding.

Figure 2

A 3% increase in property taxes will disproportionately burden commercial properties compared to residential properties, adding $670 on average compared to $68.



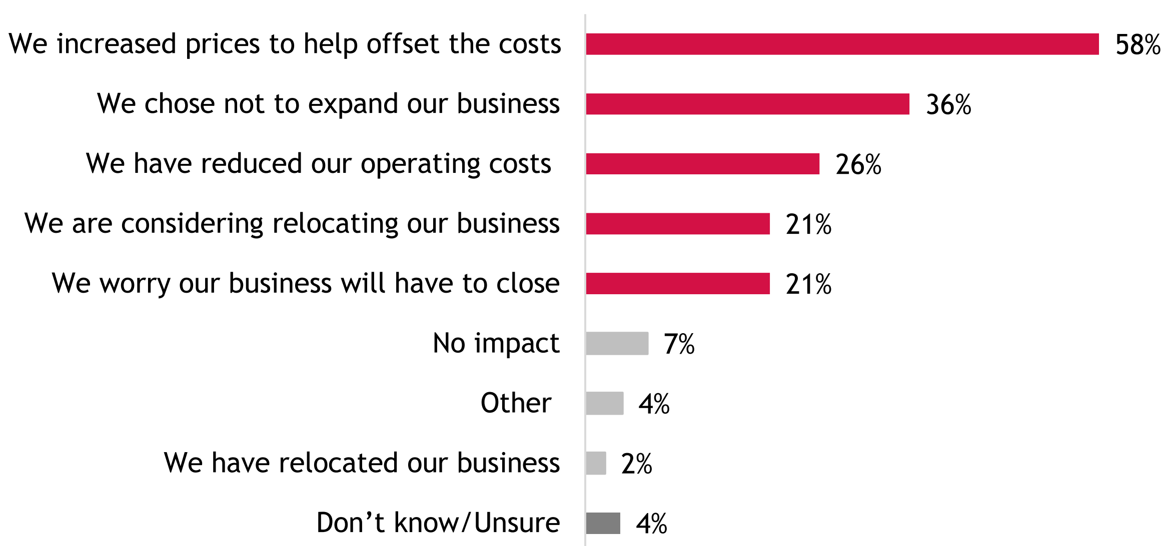
Source: Own calculations. See Appendix for more details.

It is also worth noting that over a third (43%) of BC small businesses do not own their property, but still pay property taxes because of contractual obligations to their landlord.[7] Additionally, property tax increases can also be passed down to businesses through higher rents and other associated costs.

Figure 3

Rising property taxes are contributing to higher prices for goods and services and forcing small businesses to make tough choices.

How have rising property taxes impacted your business? (Select all that apply)



Source: CFIB, BC flash survey, August 29 – September 18, 2023, final results, n=503.

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[7] *Source: CFIB, BC flash survey, August 29 – September 18 2023, final results, n=540.*

Property taxes have increased the cost of goods and services by forcing over half (58%) of BC small businesses to raise their prices to try and offset the higher costs (see Figure 3). Higher property taxes can also inhibit small businesses from expanding their business, causing municipalities to lose economic benefits. Most troubling is that 21% of BC small businesses are both considering relocating and worry their business will be forced to close due to rising property taxes. As small businesses struggle to stay afloat amid the high cost of doing business, municipal governments need to deliver cost relief and lower the burden of property taxes for small businesses.

Ranking the Property Tax Burden and Fairness in British Columbia's largest municipalities

To gauge the property tax burden on small businesses, CFIB has measured tax rate ratios and tax fairness ratios for BC's 20 largest municipalities. These rankings highlight the scale of relative burden and tax fairness between the different municipalities.

2023 Tax rate ratio

The Tax rate ratio measures the difference between the tax rate (mill rate divided by 1000) faced by commercial properties relative to residential properties. This is an indicator of the relative burden of property taxes for businesses. For example, a tax rate ratio of 2:1 means that commercial properties pay a tax rate two times higher than residential properties.

$$Tax\ rate\ ratio = \frac{Commercial\ tax\ rate}{Residential\ tax\ rate}$$

Findings for 2023 show that businesses pay a municipal property tax rate at least twice as high as residents in all but one of the 20 largest municipalities and averaging three times higher (see Table 1). This means a business located on a property with the same assessed property value as a residential property in the same municipality will pay three times more in property taxes. This difference showcases the greater degree to which property taxes harm businesses than residents. In Saanich, which ranks the worst in this indicator, business owners pay almost five times more in property taxes for a commercial property than a residence with the same property value. In the province's largest city, Vancouver, a business owner pays over three times more in property taxes for a commercial property than a residence with the same property value.

Table 1

On average, businesses pay a property tax rate three times higher than residents in BC's 20 largest municipalities.

Municipality	Commercial tax rate	Residential tax rate	Tax Rate Ratio
Saanich	1.28%	0.26%	4.90
Victoria	1.07%	0.28%	3.80
Nanaimo	1.22%	0.34%	3.59
Coquitlam	0.65%	0.18%	3.52
Langley (District)	0.55%	0.17%	3.25
Burnaby	0.48%	0.15%	3.25
New Westminster	0.81%	0.25%	3.24
North Vancouver (City)	0.52%	0.16%	3.17
Kamloops	1.16%	0.37%	3.10
Vancouver	0.51%	0.16%	3.10
Port Coquitlam	0.53%	0.20%	2.70
North Vancouver (District)	0.42%	0.16%	2.68
Maple Ridge	0.62%	0.23%	2.66
Prince George	1.44%	0.55%	2.60
Surrey	0.38%	0.15%	2.53
Kelowna	0.60%	0.24%	2.46
Abbotsford	0.57%	0.24%	2.42
Richmond	0.35%	0.16%	2.17
Delta	0.42%	0.19%	2.16
Chilliwack	0.44%	0.23%	1.91

Source: CFIB analysis of BC government data, sc 707, 2023. See Appendix A - sources for more details.

2023 Tax fairness ratio

The Tax fairness ratio measures the difference between what commercial properties are assessed at versus the share of property taxes that commercial properties pay. This is an indicator of the level of property tax fairness for businesses. For example, a tax fairness ratio of 2:1 would mean commercial properties' share of property taxes paid is two times higher than their share of property assessment. A higher number means a more disproportionate amount of taxes paid.

$$Tax\ fairness\ ratio = \frac{Commercial\ share\ of\ tax\ revenue\ (\%)}{Commercial\ share\ of\ property\ assessment\ (\%)}$$

Municipal property taxes remain widely unfair for businesses across all the largest municipalities in BC (see Table 2). On average, businesses pay 28% of property tax revenues while accounting for only 13% of total assessments – a tax fairness ratio of 2.2 (See Figure 4). In the province's largest city, Vancouver commercial properties pay 40% of the city's property taxes despite only making up 19% of the city's property value. In Saanich, which also ranks the worst in this indicator, commercial properties pay almost a quarter (23%) of the city's property tax revenues despite only making up 6% of the city's property assessment. In Victoria, commercial properties contribute to almost half (45%) of the city's property tax revenues – the highest of all assessed municipalities, while only making up 18% of the city's total property assessment.

Table 2

Share of municipal property taxes paid by commercial properties is on average more than twice as high as their share of property assessment.[8]

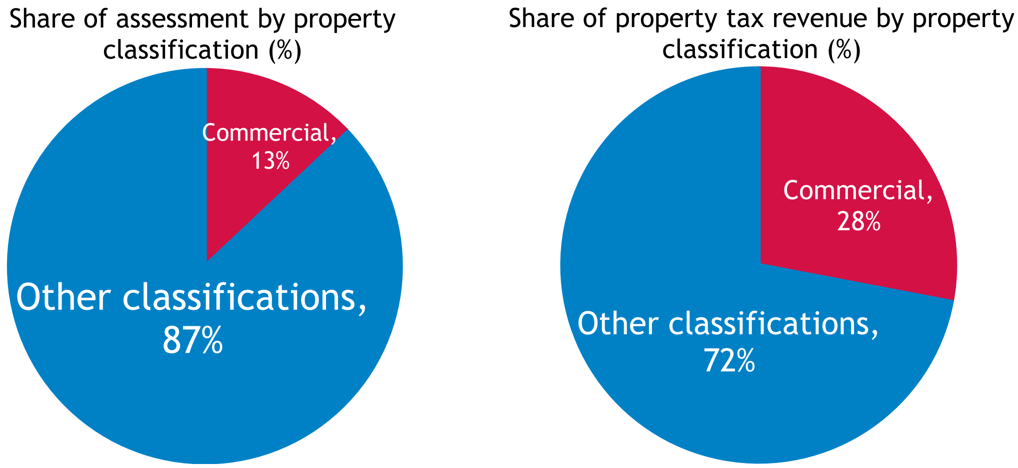
Municipality	Share of assessment (%)		Share of Tax Revenue (%)		Tax Fairness Ratio
	Residential	Commercial	Residential	Commercial	
Saanich	94%	6%	75%	23%	3.93
Nanaimo	89%	10%	68%	28%	2.74
Coquitlam	88%	10%	67%	28%	2.69
Victoria	81%	18%	53%	45%	2.46
Langley (District)	83%	10%	62%	25%	2.44
New Westminster	86%	13%	64%	30%	2.41
Maple Ridge	91%	6%	79%	15%	2.30
Kamloops	87%	11%	65%	26%	2.30
Vancouver	80%	19%	56%	40%	2.13
North Vancouver (District)	91%	8%	72%	16%	2.13
North Vancouver (City)	84%	14%	56%	30%	2.12
Burnaby	78%	18%	50%	38%	2.10
Surrey	84%	13%	66%	26%	2.01
Kelowna	85%	13%	69%	26%	2.01
Port Coquitlam	78%	17%	56%	33%	1.94
Abbotsford	81%	15%	60%	27%	1.81
Prince George	81%	15%	53%	26%	1.71
Richmond	75%	20%	56%	32%	1.64
Chilliwack	84%	12%	70%	18%	1.59
Delta	72%	16%	51%	24%	1.52

Source: CFIB analysis of BC government data, sc 707, 2023. See Appendix A – sources for more details.

[8] *Percentages may not add to 100% to the presence of other smaller assessment categories (e.g., industrial).*

Figure 4

British Columbia businesses pay a disproportionate share of municipal property taxes.



Source: CFIB analysis of BC government data, sc 707, 2023. See Appendix A – sources for more details.

Shifting the Commercial Property Tax Distribution

Conducting a tax shift – moving a share of the municipal property tax burden from commercial to residential properties – would allow municipalities to mitigate the imbalances in both the tax rate and tax fairness ratios. The shift increases the fairness of municipal property taxes by making the amount of taxes paid by businesses more proportional (i.e., the share of property taxes that come from commercial properties more closely matches the share of property assessment that comes from commercial properties) and provides businesses with substantial cost relief.

Municipal success story with property tax fairness

Recognizing the imbalance in property taxes, Vancouver shifted 2% of the property tax burden to residential from 2019 to 2021. This helped reduce their tax fairness ratio from 2.64 in 2018, to where it sits now at 2.13. While still far above a fair 1:1 target, this move provided cost relief for small business owners, saving many commercial properties almost $2,000[9] with minimal increases to residences. The similarities in property tax systems across Canadian municipalities means this kind of shift can be replicated in other cities. Additionally, the city recently launched a Developmental Potential Relief Program, reducing artificially high assessments for small businesses due to the development potential of that property, thus decreasing taxes.

[9] *City of Vancouver (2019), Questions for tax shift report.* questions for tax shift report (vancouver.ca)

A property tax revenue shift of 0.5% over four years (2% total)[10] from residential to commercial properties would return substantial savings to businesses, with relatively little cost increase to residents (see Table 3). For example, the average commercial property in Vancouver would save $4,687 over four years compared to a cost increase of $334 for the average residential property. As such, business savings would be 14 times higher than the increase the average resident would see on their bill. The situation is similar in the other three major municipalities. In Surrey, the average commercial property would save $3,541 over four years. This figure is 20 times larger than the cost increase of $176 for the average residential property.

Table 3

Annual savings and cost increases in British Columbia's four largest municipalities resulting from a 2% shift.

Savings and cost increases	Municipality	2024	2025	2026	2027	4-year cumulative cost change
Business savings	***Vancouver***	($401)	($865)	($1,402)	($2,019)	($4,687)
	Surrey	($319)	($671)	($1,061)	($1,490)	($3,541)
	Burnaby	($435)	($940)	($1,524)	($2,197)	($5,096)
	Richmond	($203)	($431)	($686)	($969)	($2,289)
Residential cost increase	***Vancouver***	$28	$62	$100	$144	$334
	Surrey	$16	$33	$53	$74	$176
	Burnaby	$21	$45	$73	$105	$244
	Richmond	$19	$41	$65	$92	$217

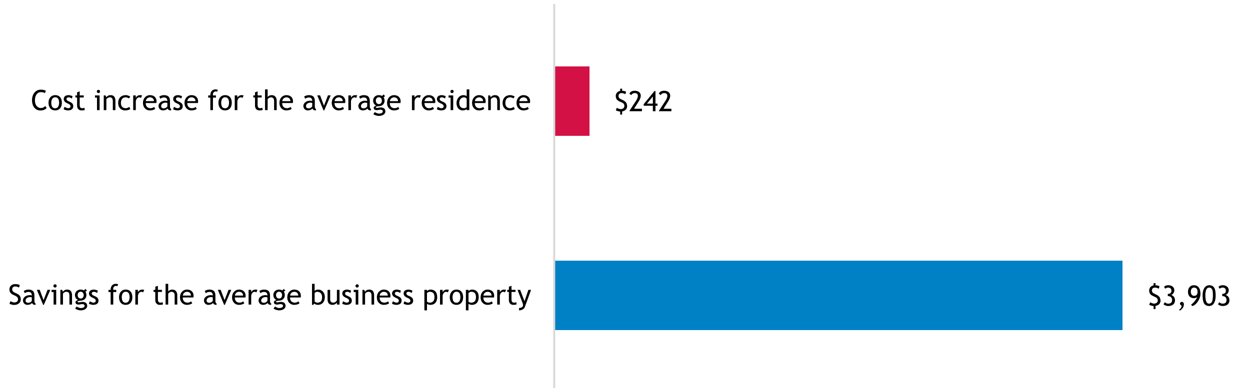
Source: CFIB analysis of BC government data, sc 707, 2013 – 2023. own calculations. See Appendix E – Methodology for more details.

The average commercial property in Burnaby has the most to gain from our proposed tax revenue shift where it would save around $5,096 over four years. By contrast, the average residential property would pay an additional $244 over the same period, a figure 21 times smaller than business savings. Lastly, an average commercial property in Richmond would see $2,289 in savings over four years. This figure is 11 times larger than the cost increase for the average residential property of $217.

[10] To simulate the effects of this tax shift property assessment has been set to rise at the average yearly rate it has for the last decade while the increase in total property taxes collected is set to rise based on each municipality's forecasts in their 2024 – 2027 financial documents. See Appendix B – Data Projections for more details.

Figure 5

Average cumulative savings and cost increases in British Columbia's four largest municipalities resulting from a 2% tax shift (2024 – 2027)



Source: CFIB analysis of BC government data, sc 707, 2013 – 2023. own calculations. See Appendix E – Methodology for more details.

On average, savings for a typical commercial property would be 16 times larger than the cost increase for a typical residential property across all four major municipalities (see Figure 5). This difference is again due to the much larger number of residential properties that can more effectively disperse the cost, and the smaller property value of the average residential property.

While municipal spending is an important part of ensuring a vibrant community, property tax revenues are set to grow faster than overall municipal operating spending in all four major municipalities (see Table 4). As a result, a growing share of the cities' spending will be financed by a property tax distribution that is already disproportionately punitive to businesses. A tax shift would ensure these large property tax increases are paid for in a proportional and fair way.

Table 4

BC municipalities becoming more reliant on unfair property tax distribution over the next four years (2023 – 2027).

Municipality	Growth in property tax revenue (%)	Growth in municipal operating spending (%)
Vancouver	8.0%	6.8%
Surrey	5.3%	2.6%
Burnaby	8.1%	6.1%
Richmond	6.0%	2.2%

Source: CFIB analysis of municipal financial data 2023 – 2027. See Appendix B – Data projections for more details.

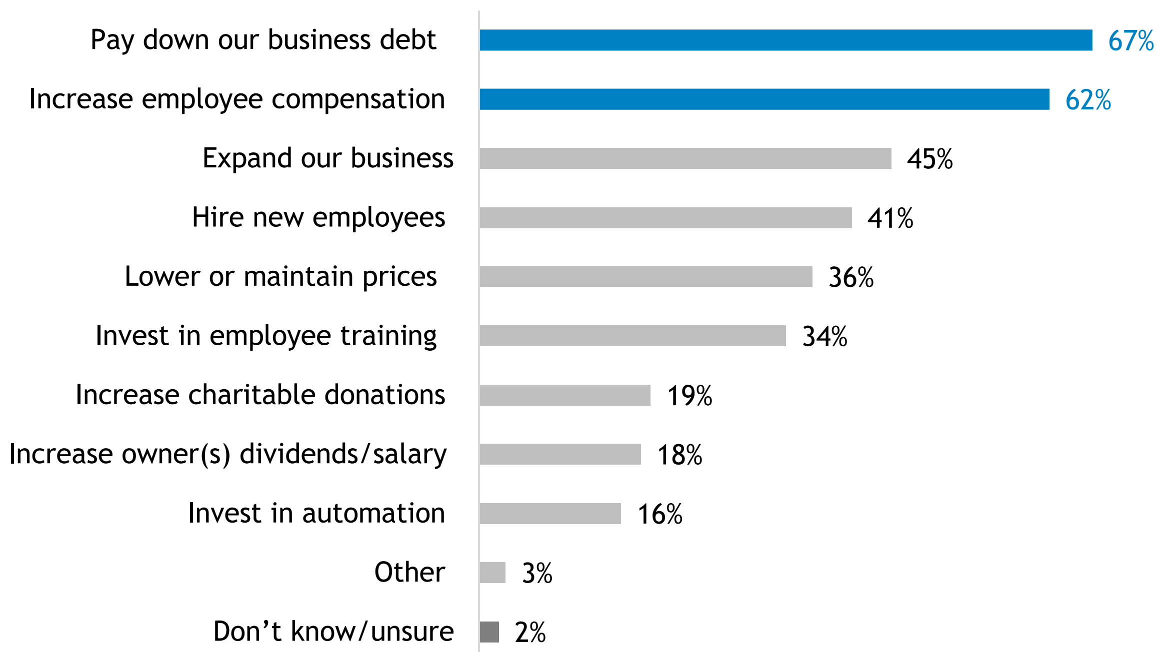
How businesses will use expected savings

In addition to making property taxes fairer, the tax shift would return substantial savings to small businesses with minimal increases to residents, giving them breathing room amid a turbulent economic environment. BC businesses owners would largely reinvest these savings back into their business and their employees (see Figure 6), in turn boosting the local economy.

Figure 6

Most small businesses would decrease their debt and increase wages for employees if taxes were reduced.

If governments were to reduce the overall burden of taxes and fees, what would you do with the savings generated? (Select all that apply)



Source: CFIB, Your Voice Survey – July 2023, Final results, July 6 – 25, BC n= 277.

Recommendations & Conclusions

Small businesses are grappling with substantial debt, inflationary pressures, rising interest rates and overall lower consumer spending on top of rising property taxes. Governments need to provide cost relief for businesses and not increase costs. Furthermore, the inequity of municipal property taxes places a disproportionate burden on business properties, exacerbating their challenges. Municipalities must take steps to resolve both these issues (see Figure 7). CFIB recommends the following:

1. **Reduce property taxes:** Property taxes can be reduced through restraint in municipal operating spending and finding internal efficiencies.

- Cost savings should include limiting spending in several areas, such as: the scope of government to core services, aligning public sector wages, salaries and benefits to their private sector equivalents, and contracting out services.

- Municipal employee wages make up one of the largest line items in municipal budgets. Municipal governments should limit their number of full-time employees.

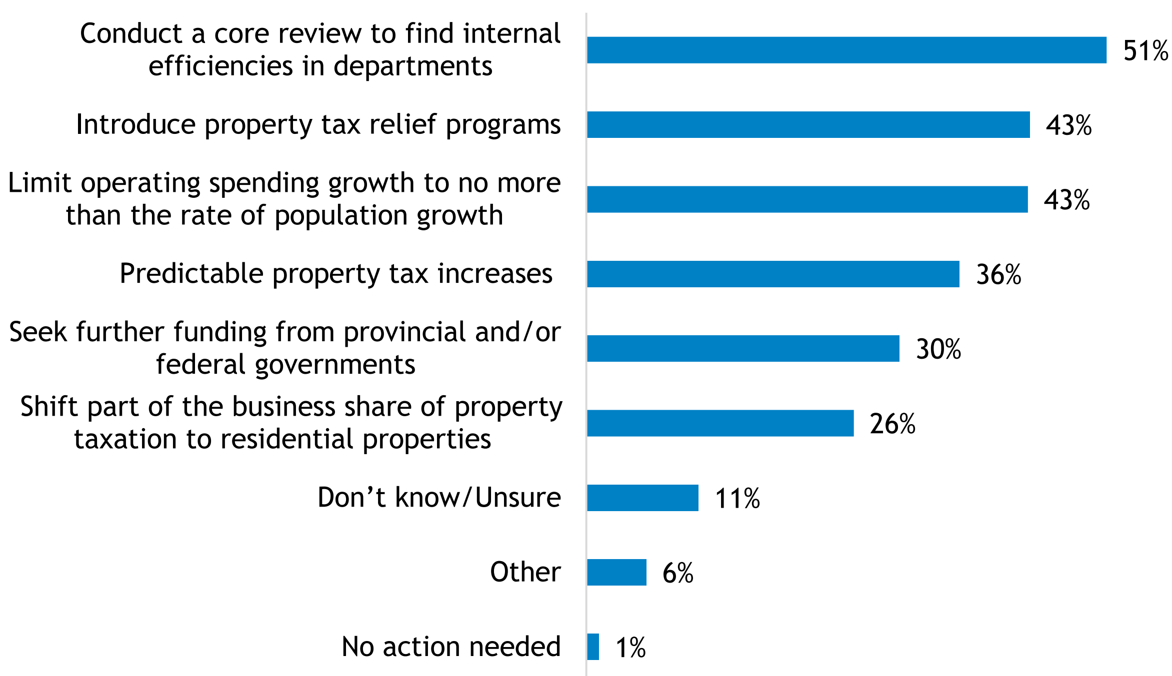
2. **Commit to a yearly 0.5% tax revenue shift over four years (2% total)**: This action would increase fairness in the property tax system and provide significant cost savings to businesses with minimal impact to residents.

3. **Engage in sustainable spending practices**: Limit year-over-year operating spending growth to no more than inflation and population growth.

Figure 7

Small businesses want to see spending reduced to decrease the burden of property taxes.

How should your municipal government mitigate the impact of business property taxes? (Select all that apply)



Source: CFIB, BC flash survey, August 29 – September 18, final results, n=503.

Property taxes in BC municipalities remain unfair for businesses and are a large cost burden. A tax revenue shift would make property taxes fairer for businesses and alleviate this burden, potentially saving thousands of dollars a year for the foundation of our local economies: small businesses. This gain would enable them to reinvest those savings back into their communities and maintain their positive contributions. Municipal governments must recognize this as a priority, something that has been neglected for too long.

About the author

Bradlee Whidden is the Policy Analyst, Western Canada for the Canadian Federation of Independent Business (CFIB). Since joining CFIB in 2023, Bradlee has worked on various files on a range of topics, including regulation, property taxes, and agriculture. Bradlee holds a Bachelor of Arts (BA) from the University of Calgary in Economics and Political Science.

About the Canadian Federation of Independent Business

The Canadian Federation of Independent Business (CFIB) is Canada's largest association of small and medium-sized businesses with 97,000 members across every industry and region. CFIB is dedicated to increasing business owners' chances of success by driving policy change at all levels of government, providing expert advice and tools, and negotiating exclusive savings.

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Appendix A: Sources

The data used to calculate the property tax impact indicators (tax rate ratio and tax fairness ratio), as well as assessment forecasts and average property assessments, is provided by the government of British Columbia.

- BC government (2023), Municipal tax rates and tax burden, https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden

- BC government data catalogue (2023), Rolls Totals and Historical Value Changes by Class and Jurisdiction, https://catalogue.data.gov.bc.ca/dataset/roll-totals-and-historical-assessed-value-changes-by-class-and-jurisdiction

Tentative projections of how municipal spending and property taxation will change in Vancouver, Surrey, Burnaby and Richmond are provided through each city's 2023 – 2027 financial plans and budgets.

- City of Vancouver (2023) 2023 budget and five year financial plan, https://vancouver.ca/files/cov/2023-budget-final.pdf

- City of Surrey (2023) 2023 – 2027 Financial plan, https://www.surrey.ca/sites/default/files/media/documents/2023-2027SurreyFinancialPlan.pdf

- City of Burnaby (2023) 2023 – 2027 Financial plan, https://www.burnaby.ca/sites/default/files/acquiadam/2023-02/2023-2027-Financial-Plan.pdf

- City of Richmond (2023) Consolidated five year financial plan, https://www.richmond.ca/__shared/assets/HighlightsCons5YFP1042965956.pdf

Appendix B: Methodology

Assessed municipalities

The (i) tax rate ratio and the (ii) tax fairness ratio were measured and ranked for the following 20 largest municipalities in British Columbia, listed by population (largest to smallest). Various aspects of the property tax system with and without a tax shift were simulated over the next four years (2024 – 2027) for the largest four.

- Vancouver
- Surrey
- Burnaby
- Richmond
- Abbotsford
- Coquitlam
- Kelowna
- District of Langley
- Saanich
- Delta
- Nanaimo
- Kamloops
- Chilliwack
- Victoria
- Maple Ridge
- District of North Vancouver
- New Westminster
- Prince George
- Port Coquitlam
- City of North Vancouver

Data Projections

To estimate how property assessment will change in the future, the average yearly growth over the last ten years (2013 – 2023) has been calculated, then projected into the next four years (2024 – 2027). Municipal spending and property taxation has been averaged over the next four years to calculate the expected average growth of yearly spending and the property levy. This is done simulate how much residential and commercial properties will be expected to pay in the near future, with or without a tax shift. Exponents in the averages are divided by the number of years being measured to find an estimated yearly change. For example, since business assessment is being averaged over a period of 10 years (2013 – 2023), the exponent is divided by 10.

- Average yearly growth in commercial assessment: $\left(\frac{2023\ commercial\ assessment}{2013\ cmmercial\ assessment}\wedge\frac{1}{10}\right)-1$
- Average yearly growth in residential assessment: $\left(\frac{2023\ residential\ assessment}{2013\ residential\ assessment}\wedge\frac{1}{10}\right)-1$
- Average yearly growth in total assessment: $\left(\frac{2023\ total\ assessment}{2013\ total\ assessment}\wedge\frac{1}{10}\right)-1$
- Average yearly growth in municipal spending: $\left(\frac{2026\ municipal\ spending}{2023\ municipal\ spending}\wedge\frac{1}{4}\right)-1$
- Average yearly growth in property taxation: $\left(\frac{2026\ property\ taxation}{2023\ property\ taxation}\wedge\frac{1}{4}\right)-1$

Calculations

Tables 5 to 8 serve as templates for each municipality, using equations and variables such as tax rates, assessments, and growth rates to simulate the tax shift in Vancouver, Surrey, Burnaby and Richmond. The variable T in each equation denotes the year that the result is being calculated with T – 1 representing the previous year.

Calculations for business savings and residential cost increases from the tax shift are outlined in table 5. Calculations for the average property taxes paid by businesses and residences involved multiplying their respective tax rates by their average property value, with a 3% tax hike calculated by further multiplying this value by 3%.

Table 5

Business savings and residential cost increases from a tax shift

		Total assessment	Assessment for a typical Commercial valued at $1M	Typical Commercial valued at $1 million saves	Assessment for the average Commercial property	Average Commercial property saves	Assessment for the average residential property	Average residential property has payment increase of
Current	*2023*	Provided by the BC government	1,000,000	0	Commercial assessent (2023) / Number of commercial properties (2023)	0	Residential assessent (2023) / Number of residential properties (2023)	0
Forecast (Simulation)	*2024-2027*	(Total assessment (T - 1) x Average yearly growth in total assessment) + Total assessment (T - 1)	(Property assessment (T - 1) x Average yearly growth of Commercial assessment) + Property assessment (T - 1)	(Commercial tax rate (with shift, T) x Property assessment (T)) - (Commercial tax rate (without shift, T) x Property assessment (T))	(Property assessment (T - 1) x Average yearly growth of Commercial assessment) + Property assessment (T - 1)	(Commercial tax rate (with shift, T) x Property assessment (T)) - (Commercial tax rate (without shift, T) x Property assessment (T))	(Property assessment (T - 1) x Average yearly growth of residential assessment) + Property assessment (T - 1)	(Residential tax rate (with shift, T) x Property assessment (T)) - (Residential tax rate (without shift, T) x Property assessment (T))

To calculate business savings and residential cost increases from a tax shift, current and future tax rates from both property classes (i.e., residential, commercial) are needed. The methodology for calculating this can be found in table 6 which draws property tax revenue data from table 7.

Table 6

Assessments and tax rates with and without a tax shift

		Tax paid by Residential properties (without shift)	Commercial assesment	Residential assesment	Commercial tax rate (with shift)	Commercial tax rate (without shift)	Residential tax rate (with shift)	Residential tax rate (without shift)
Current	*2023*	Residential tax rate (T) x Residential assessment (T)	Provided by the BC government	Provided by the BC government	Provided by the BC government	Provided by the BC government	Provided by the BC government	Provided by the BC government
Forecast (Simulation)	*2024-2027*	(Share of property tax borne by Residential properties (2022)) x Total property tax collected (T)	(Commercial assessment (T - 1) x Average yearly growth of Commercial assessment) + Commercial assessment (T - 1)	(Commercial assessment (T - 1) x Average yearly growth of Commercial assessment) + Commercial assessment (T - 1)	Tax paid by Commercial properties (with shift, T) / Commercial assessment (T)	Tax paid by Commercial properties (without shift, T) / Commercial assessment (T)	Tax paid by Residential properties (with shift, T) / Residential assessment (T)	Tax paid by Residential properties (without shift, T) / Residential assessment (T)

Table 7

Property tax revenues with and without a tax shift

		Commercial share of tax revenue	Residential share of tax revenue	Total property tax collected	Tax paid by Commercial properties (with shift)	Tax paid by Commercial properties (without shift)	Tax paid by residential properties (with shift)
Current	*2023*	Tax paid by Commercial properties (T) / total property tax collected (T)	Tax paid by residential properties (T) / total property tax collected (T)	Provided by the BC government	Commercial tax rate (T) x Commercial assessment (T)	Commercial tax rate (T) x Commercial assessment (T)	Residential tax rate (T) x Residential assessment (T)
Forecast (Simulation)	*2024-2027*	Tax paid by Commercial properties (with shift, T) / total property tax collected (T)	Tax paid by residential properties (T) / total property tax collected (T)	(Total property tax collected (T - 1) x Average yearly growth in property taxation) + Total property tax collected (T - 1)	(Share of property tax borne by Commercial properties (T - 1) - 2%) x Total property tax collected (T)	(Share of property tax borne by Commercial properties (2022)) x Total property tax collected (T)	(Share of property tax borne by Residential properties (T - 1) + 2%) x Total property tax collected (T)