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## NEWS RELEASE

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### **CFIB ranks best & worst property tax gaps in Central East Sask.**

*Langenburg had the lowest municipal property tax gap in 2016; Foam Lake had the highest*

**Regina, December 6, 2017** – The Canadian Federation of Independent Business (CFIB) released its annual comparison of property tax gaps in Saskatchewan municipalities. On average, commercial property owners paid 2.21 times what residential owners paid in municipal property taxes.

“While some municipalities in the Central East are doing a better job than others in making municipal property taxes fairer for small businesses, there is still more work to be done,” said Jennifer Henshaw, CFIB’s Senior Policy Analyst for Saskatchewan and co-author of the report. “This report should be required reading for all municipal leaders as they determine their 2018 operating budgets in the coming weeks.”

CFIB’s 10<sup>th</sup> annual edition of [\*Wanted: Property Tax Fairness in Saskatchewan\*](#) examines municipal and total property tax gaps for the 75 municipalities and 31 Rural Municipalities (RMs) with populations of 1,000 or greater. The gap measures the ratio of commercial and residential property tax bills for properties assessed at a value of \$200,000.

A provincial tax gap of 2.21 means Saskatchewan commercial property owners paid, on average, \$2.21 for every dollar in municipal property tax paid by homeowners. In the Central East this amount ranged from \$1.22 to \$5.14, with an average of \$2.75. Out of the nine municipalities examined, two increased their municipal property tax gap from 2015 to 2016, four had no change and three reduced their gap (see Central East Backgrounder).

*Langenburg had the lowest municipal property tax gap in the Central East; Foam Lake had the highest*

#### **The Good:**

- Langenburg boasted the lowest municipal property tax gap of 1.22
- Kelvington had the lowest commercial municipal property tax bill of \$2,100

#### **The Bad:**

- Foam Lake had the most unfair municipal tax system with a municipal property tax gap of 5.14, and had the highest commercial municipal property tax bill of \$11,880

When provincial education property taxes are factored in, commercial property owners in Central East Saskatchewan paid, on average, 2.66 times what residential owners paid in property taxes.

“Entrepreneurs are fed up with getting the short end of the property tax stick and worry many municipalities will continue to hike property taxes to fund unsustainable spending,” concluded Henshaw. “The majority of municipalities need to work harder to further contain costs and commit to a plan to make their property tax system more fair for entrepreneurs.”

CFIB’s report outlines a series of recommendations for provincial and municipal governments to ensure the property tax system becomes more balanced over time.

**To arrange an interview with Jennifer Henshaw, please call 306 757-0000, 888 234-2232, or email [mssask@cfib.ca](mailto:mssask@cfib.ca)** Follow us on Twitter: [@cfibsk](https://twitter.com/cfibsk)

*CFIB is Canada's largest association of small and medium-sized businesses with 109,000 members (5,250 in Saskatchewan) across every sector and region.*

# Backgrounder: Municipal Property Tax Gaps-Central East

For a property assessed at \$200,000:

- Langenburg had the lowest municipal property tax gap, at 1.22
- Foam Lake had the highest municipal property tax gap, at 5.14
- Kelvington had the lowest commercial municipal property tax bill, at \$2,100
- Foam Lake had the highest commercial municipal property tax bill, at \$11,880
- Kelvington had the most improved municipal property tax gap, reducing its gap by 1.2 per cent
- Wadena had the least improved municipal property tax gap, widening its gap by 1.4 per cent

For a complete analysis of property tax data, including methodology and regional breakdowns, please refer to CFIB's report: "[Wanted: Property Tax Fairness in Saskatchewan.](#)"

## Local Governments

CFIB has made a number of recommendations to reduce the municipal property tax gap:

- Develop and implement a plan over time to reduce the commercial-to-residential property tax gap.
- Limit year-over-year operating spending growth to a maximum of inflation and population growth.
- Reform costly and outdated municipal banked sick day policies.
- Review current programs and services to identify areas that can be streamlined or eliminated.
- Introduce a plan to reduce the size and cost of the municipal civil service (primarily through attrition).
- If applicable, consider the introduction of a base tax for all homeowners.

## Central East: 2016 Municipal property tax gaps (best to worst) and municipal taxes for \$200,000 of assessed value

Municipality	2016 Municipal residential property taxes	2016 Municipal commercial property taxes	2016 Municipal property tax gap	2015 Municipal property tax gap	2015-2016 gap change (%)
Langenburg	\$1,795	\$2,185	1.22	1.21	0.83%
Kelvington	\$1,275	\$2,100	1.65	1.67	-1.20%
Preeceville	\$1,878	\$3,556	1.89	1.91	-1.05%
Canora	\$2,053	\$4,485	2.18	2.19	-0.46%
Esterhazy	\$2,060	\$5,140	2.50	2.50	0.00%
Wadena	\$1,819	\$5,278	2.90	2.86	1.40%
Wynyard	\$1,748	\$5,445	3.11	3.11	0.00%
Kamsack	\$1,705	\$7,150	4.19	4.19	0.00%
Foam Lake	\$2,310	\$11,880	5.14	5.14	0.00%
<b>Average</b>	<b>\$1,849</b>	<b>\$5,247</b>	<b>2.75</b>	<b>2.75</b>	

Source: CFIB calculations based on 2015 & 2016 property tax data from Government of Saskatchewan, Ministry of Government Relations

# Backgrounder: Total Property Tax Gaps-Central East

For a property assessed at \$200,000:

- ▶ Langenburg had the lowest total property tax gap, at 1.54
- ▶ Foam Lake had the highest total property tax gap, at 4.49
- ▶ Kelvington had the lowest total commercial property tax bill, at \$3,756
- ▶ Foam Lake had the highest total commercial property tax bill, at \$13,536

*For a complete analysis of property tax data, including methodology and regional breakdowns, please refer to [CFIB's report: "Wanted: Property Tax Fairness in Saskatchewan."](#)*

## Provincial Government

CFIB has made a number of recommendations to reduce the total property tax gap:

- ▶ Introduce a long-term strategy to phase out the use of mill rate factors.
- ▶ Reject any proposal that would provide increased taxation powers to municipalities.
- ▶ Reject raising education property taxes to pay for infrastructure projects.

## Central East: 2016 Total property tax gaps (best to worst) and total taxes for \$200,000 of assessed value

Municipality	2016 Total residential property taxes per \$200,000	2016 Total commercial property taxes per \$200,000	2016 Total property tax gap
Langenburg	\$2,499	\$3,841	1.54
Kelvington	\$1,979	\$3,756	1.90
Preeceville	\$2,583	\$5,212	2.02
Canora	\$2,757	\$6,141	2.23
Esterhazy	\$2,764	\$6,796	2.46
Wadena	\$2,523	\$6,934	2.75
Wynyard	\$2,452	\$7,101	2.90
Kamsack	\$2,409	\$8,806	3.66
Foam Lake	\$3,014	\$13,536	4.49
<b>Average</b>	<b>\$2,553</b>	<b>\$6,903</b>	<b>2.66</b>

*Source: CFIB calculations based on 2016 property tax data from Government of Saskatchewan, Ministry of Government Relations*