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NEWS RELEASE

CFIB ranks best & worst property tax gaps in Central West Sask.

Waldheim had the lowest municipal property tax gap in 2016; Rosetown 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 West 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 10th 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 tax 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 Saskatchewan's Central West, this amount ranged from \$0.97 to \$3.95, with an average of \$1.92. Out of the 18 municipalities examined, four increased their municipal property tax gap from 2015 to 2016, 11 had no change and three reduced their gap (see Central West Backgrounder).

Waldheim had the lowest municipal property tax gap in the Central West; Rosetown had the highest

The Good:

- Waldheim boasted the lowest municipal property tax gap of 0.97 and also had the lowest commercial municipal property tax bill of \$1,050. Waldheim is the only municipality studied that taxes residents at a higher rate than businesses.

The Bad:

- Rosetown had the most unfair municipal tax system with a municipal property tax gap of 3.95 and had the highest commercial property tax bill of \$7,028

When provincial education property taxes are factored in, commercial property owners in Central West Saskatchewan paid, on average, 2.05 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 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 West

For a property assessed at \$200,000:

- ▶ Waldheim had the lowest municipal property tax gap, at 0.97
- ▶ Rosetown had the highest municipal property tax gap, at 3.95
- ▶ Waldheim had the lowest commercial municipal property tax bill, at \$1,050
- ▶ Rosetown had the highest commercial municipal property tax bill, at \$7,028
- ▶ Biggar had the most improved municipal property tax gap, reducing its gap by 8.29 per cent
- ▶ Rosthern had the least improved municipal property tax gap, widening its gap by 24 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 West: 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 (%) |
|----------------|---|--|---------------------------------|---------------------------------|--------------------------|
| Waldheim | \$1,080 | \$1,050 | 0.97 | 0.97 | 0.00% |
| Dalmeny | \$2,120 | \$2,450 | 1.16 | 1.16 | 0.00% |
| Langham | \$1,988 | \$2,410 | 1.21 | 1.21 | 0.00% |
| Lanigan | \$2,025 | \$2,475 | 1.22 | 1.23 | -0.81% |
| Delisle | \$1,132 | \$1,460 | 1.29 | 1.28 | 0.78% |
| Macklin | \$1,945 | \$2,750 | 1.41 | 1.41 | 0.00% |
| Osler | \$2,025 | \$2,900 | 1.43 | 1.43 | 0.00% |
| Lashburn | \$903 | \$1,419 | 1.57 | 1.57 | 0.00% |
| Biggar | \$1,860 | \$3,301 | 1.77 | 1.93 | -8.29% |
| Kerrobert | \$2,633 | \$4,715 | 1.79 | 1.79 | 0.00% |
| Watrous | \$1,759 | \$3,183 | 1.81 | 1.81 | 0.00% |
| Unity | \$1,741 | \$3,323 | 1.91 | 1.91 | 0.00% |
| Eston | \$3,135 | \$6,465 | 2.06 | 2.05 | 0.49% |
| Kindersley | \$2,019 | \$4,346 | 2.15 | 2.17 | -0.92% |
| Rosthern | \$1,751 | \$4,344 | 2.48 | 2.00 | 24.00% |
| Wilkie | \$1,588 | \$4,500 | 2.83 | 2.83 | 0.00% |
| Outlook | \$1,820 | \$6,388 | 3.51 | 3.44 | 2.03% |
| Rosetown | \$1,781 | \$7,028 | 3.95 | 3.95 | 0.00% |
| Average | \$1,850 | \$3,584 | 1.92 | 1.90 | |

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

Backgrounder: Total Property Tax Gaps—Central West

For a property assessed at \$200,000:

- ▶ Dalmeny had the lowest total property tax gap, at 1.45
- ▶ Rosetown had the highest total property tax gap, at 3.49
- ▶ Waldheim had the lowest total commercial property tax bill, at \$2,706
- ▶ Rosetown had the highest total commercial property tax bill, at \$8,684

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 West: 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 |
|----------------|---|--|-----------------------------|
| Dalmeny | \$2,824 | \$4,106 | 1.45 |
| Langham | \$2,692 | \$4,066 | 1.51 |
| Lanigan | \$2,729 | \$4,131 | 1.51 |
| Waldheim | \$1,784 | \$2,706 | 1.52 |
| Macklin | \$2,649 | \$4,406 | 1.66 |
| Osler | \$2,729 | \$4,556 | 1.67 |
| Delisle | \$1,836 | \$3,116 | 1.70 |
| Kerrobert | \$3,337 | \$6,371 | 1.91 |
| Lashburn | \$1,607 | \$3,075 | 1.91 |
| Biggar | \$2,564 | \$4,957 | 1.93 |
| Watrous | \$2,463 | \$4,839 | 1.96 |
| Unity | \$2,445 | \$4,979 | 2.04 |
| Eston | \$3,839 | \$8,121 | 2.12 |
| Kindersley | \$2,723 | \$6,002 | 2.20 |
| Rosthern | \$2,455 | \$6,000 | 2.44 |
| Wilkie | \$2,292 | \$6,156 | 2.69 |
| Outlook | \$2,524 | \$8,044 | 3.19 |
| Rosetown | \$2,485 | \$8,684 | 3.49 |
| Average | \$2,554 | \$5,240 | 2.05 |

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