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NEWS RELEASE

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

Gravelbourg had the lowest municipal property tax gap in 2016; Gull 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 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 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 South West Saskatchewan, this amount ranged from \$1.23 to \$3.74, with an average of \$2.64. Out of the five municipalities examined, one increased their municipal property tax gap from 2015 to 2016, two had no change and two reduced their gap (see South West Backgrounder).

Gravelbourg had the lowest municipal property tax gap in the South West; Gull Lake had the highest

The Good:

- Gravelbourg boasted the lowest municipal property tax gap of 1.23 and had the lowest commercial municipal property tax bill of \$3,050

The Bad:

- Gull Lake had the most unfair tax system with a municipal property tax gap of 3.74
- Maple Creek had the highest municipal property tax bill at \$6,770

When provincial education property taxes are factored in, commercial property owners in South West Saskatchewan paid, on average, 2.53 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—South West

For a property assessed at \$200,000:

- ▶ Gravelbourg had the lowest municipal property tax gap, at 1.23
- ▶ Gull Lake had the highest municipal property tax gap, at 3.74
- ▶ Gravelbourg had the lowest commercial municipal property tax bill, at \$3,050
- ▶ Maple Creek had the highest commercial municipal property tax bill, at \$6,770
- ▶ Maple Creek had the most improved municipal property tax gap, reducing its gap by 7.61 per cent
- ▶ Shaunavon had the least improved municipal property tax gap, widening its gap by 0.77 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.

South 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 (%)
Gravelbourg	\$2,480	\$3,050	1.23	1.24	-0.81%
Assiniboia	\$2,819	\$5,935	2.11	2.11	0.00%
Shaunavon	\$1,555	\$4,073	2.62	2.60	0.77%
Maple Creek	\$1,924	\$6,770	3.52	3.81	-7.61%
Gull Lake	\$1,388	\$5,195	3.74	3.74	0.00%
Average	\$2,033	\$5,005	2.64	2.70	

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

Backgrounder: Total Property Tax Gaps—South West

For a property assessed at \$200,000:

- ▶ Gravelbourg had the lowest total property tax gap, at 1.48
- ▶ Gull Lake had the highest total property tax gap, at 3.27
- ▶ Gravelbourg had the lowest total commercial property tax bill, at \$4,706
- ▶ Maple Creek had the highest total commercial property tax bill, at \$8,426

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.

South 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
Gravelbourg	\$3,184	\$4,706	1.48
Assiniboia	\$3,523	\$7,591	2.15
Shaunavon	\$2,259	\$5,729	2.54
Maple Creek	\$2,628	\$8,426	3.21
Gull Lake	\$2,093	\$6,851	3.27
Average	\$2,737	\$6,661	2.53

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