

Dear Mayor Savage and City Council:

We have been following with considerable interest discussions around the 2019-2020 City budget. Of particular concern is the proposed average tax increase of 2.9% and what that will mean to the commercial taxpayer. We already know that the commercial tax rates are around 3 times the residential rate for much more limited services. As well, we are seeing discussion about new services. We believe that Halifax commercial taxpayers cannot afford additional taxes. We have read in the media that the average Halifax tax increase will be a minor \$56 a homeowner, and while the average residential taxpayer pays \$1,973 annually; the average commercial taxpayer pays \$43,000 – a staggering sum for many businesses and face an increase of over \$1,247 with the current proposed increase. Council must determine what are the daily services that residents and businesses actually need and line this up with what is affordable. Also do all of these services need to be paid for by the city taxpayer? What are the private sector options or service delivery?

With this in mind, for the next phase of the budget discussion, we ask:

- That Council request staff produce an itemized/priced list of what non-core services could be cut to meet budget without tax increases. In a business, if your cost pressures rise (as in the case of the city – labour), other expenses must be slashed. Reading the budget presentation from staff it alluded twice to service cuts but provided no context of what these cuts might be or the impact of those cuts. Just vague reference to reduction in services. Should council not be able to judge the increases potential cost against the benefit provided?
- What new services have commercial tax payers seen from increased taxes in the last 5 years?
- What are the new services being considered for commercial taxpayers? Will they increase the competitiveness of our city? We would like to see an itemized/priced list.

Keep in mind that there is only one taxpayer. For the commercial taxpayer, even if they can pass along the increased tax costs to consumers (and in this competitive environment they may not), this does in fact impact HRM taxpayers as consumers. The municipality does not exist in isolation, businesses will face increased costs from other levels of government in the coming year with increases in CPP, carbon tax and all of these increases layering on our local businesses. Adding a significant increase in municipal tax will not present Halifax well as businesses seek to locate or expand here..

If in fact, Council is looking to champion an affordable, open for business city – it's time for tough decisions to be made.

We look forward to your response and comments from Council.

Regards,



Patrick Sullivan  
President and CEO  
Halifax Chamber of Commerce

**cc: Jacques Dubé, City CAO**