

**Halifax Chamber of Commerce
Supports the Elimination of the
Business Occupancy Assessment Tax in Nova Scotia**



**HALIFAX CHAMBER
OF COMMERCE**
stronger together

**Submission to:
Service Nova Scotia and Municipal Relations
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The Halifax Chamber of Commerce strongly supports the initiative being taken by the Province of Nova Scotia to eliminate the Business Occupancy Assessment Tax. The Chamber has been a public advocate of eliminating the Business Occupancy Assessment Tax (BOAT) for over a year. We agree with the reasons presented by the Province for eliminating the BOAT. The tax is an impediment to attracting and retaining businesses to and in Nova Scotia. This competitive impact is a critical consideration in addition to the many other issues noted by the Province:

- challenge to collect
- Federal Government does not pay
- more complicated administration of assessment
- inequitable

In advocating the elimination of the tax, the Chamber recognizes that the Halifax Regional Municipality (HRM) and other municipalities must have a way to replace at least some of the tax revenue. However, the decision to eliminate the tax should be viewed as being completely separate from the question of how to replace the revenue. Each municipality will make its own decision on a revenue replacement strategy. However the revenue is replaced, we believe it is a major policy advance to eliminate the BOAT because of the opportunity to capture Federal and Provincial taxes, the improved optics of a single municipal tax for business and administrative advantages for the Municipality and Province.

Halifax Chamber of Commerce Business Occupancy Assessment Tax in Nova Scotia

We believe it is helpful to separate the debates about whether to eliminate BOAT, from how to replace it. Effectively, we view the Province's initiative to eliminate the BOAT as providing Municipalities with greater flexibility, leaving them with many options to pursue to replace the revenue.

If the BOAT is eliminated, the Chamber will be working closely with HRM on a revenue replacement strategy. HRM has the highest commercial taxes of the major centres in the Maritimes and is among the highest in Canada. The commercial sector has long been subsidizing the residential sector in HRM. This subsidy is currently in excess of \$70 million if calculated on an equivalent assessment basis. It would be higher if calculated on a cost of service basis.

The Chamber intends to take advantage of the tax system restructuring associated with BOAT elimination to begin to address this anti-competitive inequity within the HRM tax structure. It is against the interests of everyone in HRM to have a tax system that places an inappropriate burden on the commercial sector. The commercial sector must be healthy if HRM is to grow and prosper to the benefit of all.