

10 October 2006

Halifax Regional Municipality
P.O Box 1749
Halifax, N.S. B3J 3A5
Via Email – clerks@halifax.ca

Re.: Tax Reform Committee - Terms of Reference

Dear Mayor and Councillors,

The Halifax Chamber of Commerce is dedicated to working with the municipal government to promote a competitive environment for business growth. The Chamber has been very supportive of Council undertaking a tax reform initiative. We also believe this initiative is an important step towards the implementation of the HRM Economic Strategy goal to "ensure that a competitive tax and regulatory regime supports HRM's growth drivers."¹

The implications of maintaining a competitive tax structure for the commercial sector are far reaching. Businesses operating in a competitive tax structure are better able to create good jobs, invest in new technologies, expand much-needed infrastructure and ride out inevitable downswings in the economy. Furthermore, the commercial sector in Halifax faces a relatively high burden of taxes. In 2006-2007 business assessment² (commercial property tax and business occupancy tax) represented 20.8% of total property tax assessment. Tax revenue from business on the other hand, (commercial property tax and business occupancy tax) represented 41.2% of general property tax revenues for our city.

For these reasons I suggest that Council amend the terms of reference to increase the minimum number of business people on the tax reform committee – from the suggested minimum of 1 to at least 2. I also recommend that the competitiveness of our business community be considered a key priority of tax reform by the committee.

I commend Council for taking on this extremely important issue. If I can be of any assistance, please do not hesitate to contact me at 468-7111 or Valerie@halifaxchamber.com

Sincerely,



Valerie A. Payn
President

Cc: Mr. Dan English, CAO, Halifax Regional Municipality
Ms. Cathie O'Toole, Acting Director of Finance, Halifax Regional Municipality
Mr. Bruce Fisher, Manager, Financial Planning–Halifax Regional Municipality

¹ Halifax Regional Municipality's Economic Development Strategy 2005-2010. Page 24.

² 2006-2007 Halifax Regional Municipality Budget. Page C22.