

TABIA'S SUBMISSION TO THE MINISTRY OF FINANCE FOR THE NOVEMBERER 2020 PROVINCIAL BUDGET

TABIA is the umbrella organization for over 80 Toronto Business Improvement Areas with an aggregate business membership of somewhere in the 35 to 40,000 range. The issue which has been foremost on the minds of our membership from the inception of Current Value Assessment was property tax, until covid and the problems it has brought. Other than payroll and rent, property tax is the highest overhead expense for most of these businesses, and sometimes the highest expense, especially for the mom and pop merchants. The tax has been dragging down small business since it was introduced and continues to do so particularly on the main streets, notwithstanding the multitude of tweaks and amendments which have been made to it almost on an annual basis. Although everyone pays lip service to preserving these small entrepreneurs, meaningful action has been lacking and more and more store vacancies keep occurring. But now Covid and the lockdowns have small business on the ropes and many large businesses are not in any better condition. Tweaking won't help, nor will tax capping, especially at 10% which is totally unsustainable, but which unbelievably still prevails in Toronto. Drastic changes have to be made to the assessment methodology. Covid and the lockdowns are changing the shopping streets to the point where they will be a mere shadow of their former selves regardless of what relief might be made available now, and recovery will take many years, if it occurs at all.

I am not telling you anything you don't already know. Anyone who walks the streets can see the decline, and the media have reported on it frequently. The Ministry has been made aware of the plight of main street many times over the past 20 or so odd years since CVA.

And it is not only the municipal tax which is strangling our members. The Business Education Tax is a major compounding factor. As assessment rises, so does the BET,

and to make matters worse the BET is discriminatory. Rates vary from one municipality to another, and are set arbitrarily behind closed doors. This is a particularly harsh situation for Toronto businesses because the rates set for adjacent municipalities are lower than the Toronto rate thereby establishing a very unlevel playing field. It has been described as the most unfair tax in Canada, and it is causing damage in Toronto as well as other Ontario municipalities. The ministry is very aware of that situation as well because of the many submissions made to it. Indeed, although Conservative and Liberal govts have at times introduced long term programs to alleviate the situation, those attempts were abandoned just when they appeared to reach the point of real effectiveness.

But now it's crunch time. Either major tax relief is made available quickly, or by the time this covid thing is over, anyone walking the streets will be shell-shocked by the endless number of vacant stores and by what has replaced them. Unless the relief is long term, there will not be a significant recovery for those shops and merchants who made our streets interesting and safe places to visit and to spend time.

Mr. Lionel Miskin

Vice President, TABIA

Chair of TABIA's Tax Committee