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Council defers decision on tax reduction

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Shelburne Town Council has deferred an optional small business property subclass tax until further research and analysis is completed, as well as a consultation with the local BIA.

Council received a quarterly financial report from treasurer, Carey Holmes, during their meeting on Oct. 18. The recommendation of the report was to not implement the tax option.

?There's just too many scenarios and too many variables,? said Holmes. ?There's too many unknowns for staff to recommend that we implement this at this time.?

When the Ontario government released its 2020 budget in November of last year, it introduced the ability for municipalities to create an optional small business property subclass tax to provide relief for small businesses including the commercial and industrial class. The tax reduction can be up to 35 per cent of the rate for the property class.

The report to council provided the example of a small business property owner who normally paid $1,000 in taxes, with the reduced rate they would only pay $650 if the full 35 per cent discount were applied.

Holmes noted that the tax reduction on small business property would require the redistribution of the tax burden to other tax classes or be a write-off in the town's budget.

Specifically for Shelburne, the tax burden would be redistributed to residential taxes, which are approximately 86 per cent.

?I think this was written for the bigger cities than for small communities like ours? We don't have the industrial base that we can shift taxes on, like the City of Toronto or Barrie,? said Coun. Walter Benotto. ?While I understand small business have suffered through COVID, we're just not big enough to do it and it's not fair shifting it off the business on to a resident. I don't think our residents are going to be too happy?I would never vote in favour of this.?

The small business property subclass tax program, which is not mandatory, would not be able to be implemented in 2022 due to time constraints.