Province introduces legislation to have multiple commercial tax rates in Halifax area

Legislation would give HRM greater flexibility in how it determines commercial taxes

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The province introduced legislation Tuesday that would allow Halifax Regional Municipality to have more flexibility in how it determines commercial property taxes, which is welcome news to some people in the city's north end business community.

The amendments to the city's charter would allow council to designate tax rates in specified zones.

These assessments would be based on a property's assessed value and or the size of its street frontage.

'Structural' problem with city's tax system

As the assessment values enter another tier, the tax rate could change, much like income taxes.

Andrew Murphy, a chartered accountant located on Gottingen Street in the city's north end, says change is needed to how commercial property taxes are determined in the city. He says there's a "structural" problem with the system that favours properties located in business parks.

"I'm paying a multiple per square foot of what Walmart is in Dartmouth Crossing, and I think that that's an unusual result," he said.

Murphy says he'd like for commercial property taxes to be based on the size of a property.

"Every assessment, every PID (parcel identification) number comes with a calculation of what the land mass is, so it would have been easy to do that and buildings don't change much," he said.

Murphy doesn't like basing commercial property taxes on a property's street frontage and says it doesn't make sense that a one-storey building located next to a 10-storey building could pay the same amount in taxes.

Skyrocketing commercial taxes

The North End Business Association's Patricia Cuttell says commercial tax reform is needed because some property owners have seen their tax bills quadruple in a matter of years thanks to spiking assessments caused by redevelopment in the area.

"The ability for small businesses to absorb and pay those increases is very difficult," she said.

Bruce Fisher, the city's manager of fiscal and tax policy, says it's tough to develop an appropriate tax rate for all of the commercial sector. He says he's happy that the legislation has been introduced.

"We're looking for some flexibility so we can try out different things and see what might help the community," he said.

Fisher hopes the city will be able to institute changes that make all commercial property owners better off.

With files from Jean Laroche

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