

NEWS

Industry tax hearings: 'Everything should be on the table'



Saint John Mayor Don Darling.
Flavio Nienow/Times & Transcript

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Flavio Nienow | Times & Transcript

FREDERICTON • Comprehensive tax reform is needed to help cash-strapped municipalities, an all-party hearing heard Thursday.

Saint John Mayor Don Darling was among several speakers during the last of a two-day hearing to discuss whether to reduce or eliminate tax exemptions that apply to heavy industry, including taxing machinery and equipment.

Lifting these exemptions should be part of a broader discussion about tax reform, Darling told the committee.

"Everything should be on the table for discussion," Darling told Brunswick News after his presentation. "We just need to have a conversation that hasn't been had in a long time."

Saint John City Manager John Collin questioned if the city is receiving its fair share of taxes, and reiterated to the committee that a property tax reform would be vital to Saint John, which has the highest municipal debt in the province at \$243 million.

Other business and heavy industry representatives also called for comprehensive tax reform in front of the committee.

Sheri Somerville, CEO of the Atlantic Chamber of Commerce, which represents 38 Chambers of Commerce in New Brunswick, said while the chamber supports a comprehensive review of the province's tax system, the ideas being discussed at the hearing were "not comprehensive in scope," and that the province needs a more "robust solution" to address revenue deficits.

Calling it a "crossroads" for the province, she urged the committee to reject the plan that would remove a tax exemption on heavy industry in New Brunswick.

The hearings followed a motion introduced earlier this year by Saint John Harbour Liberal MLA Gerry Lowe.

Lowe told the hearing Wednesday he thinks some of the province's heavy industry players aren't paying their fair share of taxes, but Somerville Thursday said there's "no basis" for implying that.

Andrew Carson, director of strategy and growth at Irving Oil Ltd., agreed with Somerville's assessment.

Carson told the committee that the Saint John refinery pays the highest tax bill of any refinery outside of Alberta, a province that applies a tax to manufacturing equipment in some regions.

"Compared to other refineries in Eastern Canada, we pay the highest total tax bill, and when you include the taxes generated from our company's wider presence in Saint John, we pay more than any other company in our region," said Carson, adding Irving Oil's total property tax bill in 2019 is more than double what it was 15 years ago — from \$6.2 million to \$13.1 million.

Representatives from Chambers of Commerce in Fredericton, Moncton and Greater Saint John also spoke against the proposed changes Thursday.

David Duplisea, CEO of the Saint John Region Chamber of Commerce, said the 650 businesses the Chamber represents are concerned and companies "cannot continue to add financial burdens" as they work hard to compete.

"We advocate for municipal reform, not Band-Aid solutions."

John Wishart, CEO of the Chamber of Commerce for Greater Moncton, said lifting the current tax exemptions on industry would harm all New Brunswick business, not just heavy industry.

"If large industrial players stop spending, that would have a domino effect on the supply chain," said Wishart. "It would drive investment and people away from this province. We simply can't let that happen."

Colleen d'Entremont, president of Atlantica Centre for Energy, which supports organizations operating in the energy sector, said the proposed motion would also not increase affordability and diversity of energy in New Brunswick.

"A quick fix with an erroneous formula is not the answer," said d'Entremont.

The committee also heard from two private citizens — one supporting the existing exemption and one wanting it lifted.

"Lifting the machinery and equipment exemption would be like putting up a sign that says 'closed for business,'" said Saint John business owner Robert Manning.

"I'm the only presenter listed to speak on behalf of the ordinary person. This is pathetic," said Saint John area resident Lynaya Astephen.

The committee will now report back to the House with recommendations.

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Mae_Steeves_ 1 hour ago

All of the data and dollars and numbers provided are irrelevant without perspective. Readers and citizens should have the full data. For each of the three major cities for comparison purposes-- budget, deficit/debt, number of citizens, residential properties, apartments, commercial properties, square miles of municipal limits. cfs

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Robert_Macdiarmid_ 3 hours ago

The combined municipal, provincial and federal tax bill is way too high. Very silly how the Federal level gives money to projects that are provincial responsibility. More sensible for Feds tax rate to go down and provincial rate to go up.

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Joe_Doucette_ 4 hours ago

Perhaps of sell out mayors like Norm McFarlane didn't do secret back room deals with certain citizens we wouldn't be in this boat. Trying to raise taxes on an already over taxed cities residents is the equivalent of standing in a bucket of water and trying to pick yourself up by the handle. Something else that should be considered is to have Fredericton foot the bill for policing. Seeing as police take up nearly 25% of the cities budget (not counting in overtime which seems to be limitless) maybe if Fredericton started a provincial police force like Ontario and Quebec and the capital paid for it from them equalization payments perhaps this alone would be enough relief to the cities tax payers! Of course then the cities would have no say as to what recruits got hired and I am sure the good ole boys club would HATE THAT!

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John_Emer_ 16 hours ago

Why would David coon link property tax paid by heavy industry to health care spending? That seems out of scope for the committee

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Leonard_Jones_ 17 hours ago

I agree 100% with Sheri Somerville and the Chambers of Commerce, less tax for Industry and businesses in general is the way to go..

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