

The Chamber welcomes long-awaited advocacy win with the help of the City of Timmins

TIMMINS, ON | December 21, 2020 – Timmins can now amplify our “Open for Business” motto by making use of a new mechanism to increase the community’s competitiveness. On the heels of the Provincial Budget announcement, made in early November 2020, The Chamber is pleased to champion a win for the City of Timmins—and more importantly, for the Timmins business community.

As outlined in the 2020 Budget, the Province has reduced property taxes for employers that would address concerns raised by business and municipal stakeholders regarding the variation of the Business Education Tax (BET) rates and their impacts on business competitiveness. However, the recent announcement changed that and will come into effect on January 1, 2021. The reduction from 1.25% to 0.88% that Timmins commercial and industrial contributors will now pay on the BET translates to a savings of \$460,000 for our local business community or a 10 percent reduction, respectively.

The subject of much controversy, the BET is the only tax in Ontario which is set by the Province but collected by the City. The Province then distributes the revenues from this tax to the local school boards, and the amount of tax collected in a particular city or region has no bearing on how much a school board in that region might receive. The outcome of this decision is due in part to a collaborative advocacy effort between the Chamber and the City for some time, and together, the two organizations welcome the change of this tax system.

“It is only through our conjoined efforts that the Chamber and City continue to work towards implementing effective change for our business community,” said Melanie Verreault, President of The Chamber. “As businesses struggle to recover from the economic impacts of COVID, the timing is appropriate, and we are grateful to the Provincial Government for making this decision that will help business as well as to the City of Timmins for championing this business issue.”

In The Chamber’s pre-budget deliberations to City Council, Chamber President Melanie Verreault urged Council to fully embrace the “Open for Business” motto by committing to its operationalization. This BET announcement came rather serendipitously, as the City continues to understand how each of their budget items may impact small- to medium-sized enterprises.

As an additional tool provided to the municipalities, the Province is introducing a property tax subclass that would provide targeted tax relief to small businesses and increase business competitiveness. In response to concerns about the property tax burden on small businesses, these plans will give municipalities the flexibility to target property tax relief to small businesses in a way that best reflects local circumstances.

“While The Chamber is pleased to see further mechanisms to support our smallest businesses, we know that we will need to support the City in understanding what constitutes this status in a way that makes sense for Timmins, rather than a Provincial blanket approach,” added Verreault. “The optional small business class will be defined as a subclass of the “residual commercial class” and will be subject to a tax rate discount leaving municipalities with flexibility to establish the discount amount within a range.”

Municipalities may also use reserves to offset the impact or find savings within existing budgets to compensate for the amount of relief and mitigate the associated tax shift to other property owners. As the Province is largely leaving this framework to the City, The Chamber plans to act as a key partner in defining the program’s parameters to support our small businesses.

“The City is pleased to see these reductions from the Province, and we know this is good news for our Timmins business,” stated Mayor George Pirie. “As we continue to work with The Chamber to identify cost-saving mechanisms through the City and upper levels of government, we know that this is just another tool to increase our competitiveness and grow our community.”



The CHAMBER.

The Province will also consider matching these municipal property tax reductions to provide further support to small businesses. As these two tax changes begin to roll out, both the Chamber and the City know that we can harness the programs as an economic driver—furthering our competitive advantage as a great place to invest.

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About the Chamber

With 625 members, The Chamber is one of the largest accredited chambers of commerce with distinction in northeastern Ontario. As the “Voice of Business in Timmins” since 1949, our advocacy and policy initiatives focus on ensuring a positive business climate in the City of Timmins.

