



**NEWS RELEASE
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Calgary's business community seeks equitable treatment in municipal budget

(Calgary, AB) – In an in-depth submission made to City Council today, the Calgary Chamber of Commerce urged greater focus on equitable taxation, fiscal management and transparency to reduce the tax burden on businesses and residents.

“Calgarians aren’t aware of their true tax bill because municipal taxes are disproportionately collected on the backs of businesses,” said Geoff Pradella, Vice-President of Public & Government Affairs with the Calgary Chamber of Commerce. “Tax on businesses accounts for 58 per cent of municipal tax revenue. Calgarians are still paying these taxes because they are passed on through higher prices.”

The Chamber urges a more a balanced approach that would see the proportion of taxes paid by businesses and homeowners gradually equalized by 2015.

“Businesses consume a far smaller proportion of municipal services relative to residents,” said Pradella. “The City of Edmonton has recognized this, and in the last two years maintained a 50/50 split. We urge the same approach in Calgary.”

While the City of Calgary is quick to highlight municipal tax competitiveness for homeowners, it remains silent on the total municipal tax take – the amount of taxes collected from residents and business owners collectively (i.e. via residential, non-residential and business taxes).

“This is not a pretty picture,” commented Pradella. “The City’s new ‘Tax Talk’ website shows Calgary’s residential taxes as the lowest in Canada, but what the City neglects to mention is that total municipal tax take per person puts Calgary in the middle of the pack nationally.”

“It’s even worse for businesses. Non-residential property and business taxes per person are the second worst of any major city in Canada,” stated Pradella. “Calgarians are not getting the full story here.”

To lower the total municipal tax take, reducing the burden on both residents and business owners, the Chamber argues for greater fiscal discipline, transparency and emphasis on ensuring value for money.

Ideas submitted to City Council include:

- Initiating a core priority study that differentiates core priorities from discretionary spending items to determine the first areas for service cuts or elimination.
- Introducing competition into the delivery of goods and services through open competitive bids in areas such as waste management, pools and recreations centres and golf courses.
- Conducting a city-side services review that identifies opportunities for additional cost savings.



- Adhering to a 'smart spending bandwidth' that limits annual spending increases to key economic measures. For 2010, the lower level is set at 2 per cent, which will require a 1.6 per cent reduction (or approximately \$38 million) from budget.

"With a near doubling of unemployment levels and negative or minimal economic growth forecast in the immediate future, City Council must do everything it can to reduce the tax burden on citizens and businesses," said Pradella.

Greater transparency and accountability was also a major theme in the budget submission. The Chamber recommends moving to a three-year rolling budget introduced each year from a three-year binding budget and supporting a stronger role for the City Auditor.

The Chamber's response is based on a pre-budget survey of membership. Fiscal management (spending and priority setting) by City Council was identified as the top municipal priority.

The Chamber's initial reaction to the budget and submission to City Council is available online: www.calgarychamber.com

About the Chamber

The Calgary Chamber of Commerce is a member-driven, sustainable organization whose mission is to connect, serve and champion the Calgary business community in its quest to excel.

The Public & Government Affairs Department measurably contributes to the Chamber's profile and effectiveness. We are the leading edge business advocate and forum for debate, and a credible source for policy analysis and issue commentary. We advocate new and innovative solutions to improve the business climate on behalf of our members.

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