



May 14, 2020

Ref: 253882

His Worship Mayor Bill Dingwall  
City of Pitt Meadows  
12007 Harris Rd  
Pitt Meadows BC V3Y 2B5

Dear Mayor Dingwall:

Thank you for your letter of April 21, 2020, regarding the interim business property tax relief legislation under Bill 10. I appreciate the feedback on your concerns about the legislation.

As you are aware, it was not feasible to implement a sub-class (split assessment) for the 2020 tax year. However, to provide immediate assistance to support small businesses, non-profits and arts and culture organizations, the Province of British Columbia introduced the property tax relief exemption under Bill 10. The exemption is an interim step that will be in effect for up to five years.

We appreciate that the use of this exemption by municipalities for the 2020 tax year will not be substantial due to a number of compounding factors, including time constraints, concerns raised by some Metro Vancouver municipalities, as well as the widespread impact of the COVID-19 pandemic, which continues to alter daily operations at every level of government.

Although in the near-term the Province's focus is on responding to COVID-19, including putting programs in place to assist the business sector, we will not lose sight of our goal to implement a permanent mitigation strategy as soon as possible to address property tax impacts on small businesses, non-profits and arts and culture organizations. The evaluation of the sub-class approach will continue to be a key focus of our efforts, as will a review of the triple-net lease structure that stakeholders have identified as a concern. We will also be evaluating other strategies, including small business owner-operator tax deferment.

As you are certainly aware, the Province is implementing a \$5-billion COVID-19 Action Plan that will help businesses get through the immediate crisis and lay the groundwork needed to get them back on their feet once the crisis is over. In light of your concern with supporting small businesses in your community, I have highlighted a number of key elements below.

Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax payments until September 30, 2020. Businesses with a payroll under this threshold are already exempt from the tax.

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In addition to the employer health tax, the Province is extending tax filing and payment deadlines for the provincial sales tax (PST), municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax and carbon tax until September 30, 2020. The scheduled April 1 increase to the provincial carbon tax was delayed and will be reviewed later in the fall.

Business, light industry and major industry property classes will see their school tax cut by more than half to achieve an average 25 percent reduction in total property tax bills. This will provide \$700 million in immediate relief for businesses that own their property and allow commercial landlords to immediately pass savings on to their tenants in triple-net leases.

The Province has also postponed the date that late payment penalties apply for commercial properties in classes 4, 5, 6, 7 and 8 to October 1, 2020, to give businesses and landlords more time to pay their reduced property tax, without penalty.

In the long-term, the recovery plan will dedicate funding to particularly hard-hit parts of the economy, such as the tourism, hospitality and culture sectors. The Province has allocated \$1.5 billion for an economic stimulus plan and is partnering with business and labour leaders to build a strong strategy for economic recovery.

An additional resource is available online at the link below and will be updated as more information becomes available.

**[COVID-19: Financial Supports for Small Businesses in B.C.](#)**

These measures will give businesses and households financial relief while longer term solutions are developed.

Thank you again for taking the time to share your concerns on this important matter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Selina Robinson', with a stylized flourish at the end.

Selina Robinson  
Minister