



BC Budget Consultations 2020

SUBMISSION TO THE SELECT STANDING COMMITTEE ON
FINANCE AND GOVERNMENT SERVICES OF
THE LEGISLATIVE ASSEMBLY OF BC

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Introduction

STEPUP encourages the BC Government to **repeal the “school” tax surcharge**, which was included in last year’s budget, and came into effect this year.

The Society To Encourage Political Understanding & Participation ‘STEPUP’ is a non-partisan, not-for-profit registered society. It was founded in 2018 by concerned BC citizens who weren’t previously politically engaged. We care deeply about our

communities and the prospects for our children and grandchildren to live and thrive within them.

STEPUP has dozens of active volunteers. When feasible, we work with great professionals and vendors for specific projects. We rely entirely on voluntary donations and every dollar collected goes to deliver on our mission.

We support policies, from any party, which are fair, which serve to unite our communities and neighbourhoods and which foster freedom, economic well-being and social harmony for all British Columbians. We oppose policies which are unfair, repressive, divisive, or which threaten our economic future. We particularly oppose political spin intended to mislead the public or to stir up or twist public sentiment.

“School” Tax Surcharge

STEPUP encourages the BC Government to repeal the school tax surcharge.

The “school” tax surcharge offends British Columbian values for many reasons, including:

- The “school” tax surcharge is a targeted attack on a specific class of citizens, (certain homeowners wrongly portrayed as a monied class).
- The “school” tax surcharge ignores both owners' costs and debt, focussing instead on full assessed "values", as if this represented owners' actual gains or their actual equity in their homes.
- The “school” tax surcharge ignores owners' ability to pay, effectively driving owners out of their homes and communities if they cannot afford the tax.
- The “school” tax surcharge is contrary to normal Canadian tax policy, as it taxes fictional "gains", and does so as if these "gains" were fixed, certain and realized.

- The “school” tax surcharge is a slippery slope: UBC academics already calling for the taxes on properties with assessed values over \$1M, which would capture nearly every single detached home and many condos in Vancouver, West Vancouver and many homes in North Vancouver and Kelowna.
- The “school” tax surcharge encroaches on municipal tax bases; this has serious effects on the ability of municipalities to raise revenues.

We are not alone in our discomfort with this surcharge. Over 26,600 people have signed an online petition asking the BC government to repeal this tax. <http://bit.do/nosurtax> The governments of the City of Vancouver and the District of West Vancouver have sent the Premier letters asking the BC government to repeal the tax. The tax has been criticized by real estate industry experts and professionals, members of the academic community, lawyers, and even by several important members of the party currently in power, including a past Premier.

The “school” tax is not for schools; it has been deceptively labelled and misleadingly sold to the public. It is a wealth tax which is careless as to whether or not there is any actual wealth to be taxed. It has been consciously targeted to victimize a segment of our citizenry which the current party in power views as political opponents, and to exploit a misguided public meme that their home ownership is somehow unfair. It is estimated that it will raise a relatively small amount of revenue. Clearly, its true purpose is political. We have seen the impact of this surcharge - it is divisive policy that is unfairly and indiscriminately scapegoating innocent owners. It is pushing people out of their homes and neighbourhoods. It is harmful to seniors. It contributes to the destruction of the values that we share as British Columbians, including community, unity and rewarding hard work and careful planning.

Provincial tax policy should be fair, equitable, progressive and in accord with Canadian tax law. The school tax fails in all these objectives. It should be repealed.

Thank you for your consideration of our submission.