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MEDIA ADVISORY

Education Coalition Provincial Budget Review

The 250,000 members of the Education Financing Coalition know that the time is right for the Manitoba government to start the process of removing education taxes from the property tax bill.

Manitobans believe that this government can make a commitment in this budget to begin to shift education taxes off the property tax bill, eliminating it over the next four to five years.

There are many signs that this is possible and desirable:

- Over 2,000 Manitobans have gone to letspayfair.com and used the SEND A LETTER option to tell their MLAs they expect a change now.
- Over the last few years the Manitoba government's revenues have increased to \$8.6 Billion.
- The Manitoba government will receive \$335 million in federal transfer payments this year.
- Other provincial governments across Canada have either reduced their reliance on property taxes to pay for education or have eliminated it.
- More dollars in the pockets of taxpayers in fact helps generate revenues because as consumers those dollars are injected back into the economy.

Leading members of the Education Financing Coalition will be available at the Manitoba Legislature for comment. Look for the letspayfair.com team in the Rotunda for comment on the provincial budget day, April 4, 2007.

For more information:

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See attached FACT SHEET

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FACT SHEET

1. The Manitoba Government says:

It has eliminated the Education Support Levy (ESL) on property tax for a saving of \$100 million.

Actually, what we know is that:

They didn't eliminate it on all property. It was only removed from residential property, not commercial property. Even at that, the ESL have been more than made up for by increases in the special education levy.

2. The Manitoba Government says:

It has increased the Education Property Tax Credit from \$250 to \$400, saving Manitobans \$54 million a year.

Actually: A number of homeowners that have seen their education taxes go up in the last eight years far higher than the additional \$150 tax credit could ever pay for. They have not saved any money. There would be no need for any property tax credit if the province eliminated education taxes altogether over a period of time.

3. The Manitoba Government says:

It has increased the Seniors Property Tax Credit from \$625 to \$800.

Actually: Despite this increase, many seniors are telling us school taxes on their home are unfair and are they should be eliminated. Increasing credits such as this one for one segment of society is an admission that school taxes are too high.

4. The Manitoba Government says:

It has reduced the overall tax burden on Manitoba farmers by reducing the portioning on farmland from 30% in 2004 to 50% in 2005 and 60% in 2006.

Actually: KAP – Education taxes are still a hot-button issue for farm families, despite the tax rebate. Even though portioning is going down, assessments are going up and school boards consistently ask for increases – which is eroding any savings that farmers might see. Farmers know that this rebate is just a band-aid solution and want government to address the real problem, which is the outdated and unfair property-tax based system.

5. The Manitoba Government says:

To date its efforts have reduced education taxes on the average \$125,000 home by 8%.

Actually: The 1999-2000 school tax revenue was around \$600 million and is now \$746 million - a 27 per cent increase. The 8% savings have been more than absorbed by school board decisions.

6. The Manitoba Government says:

It has shown an ongoing commitment to sustainable tax reductions and is not interested increasing the overall tax burden on Manitobans.

Actually: Manitoba school boards – that are an arm of the Manitoba Government – have in fact increased taxes significantly to pay for a provincial government core service. A Manitoba homeowner or business owner only needs to look at his or her property tax bill to know that actually the taxes they pay for provincial services have gone up and up.

7. The Manitoba Government says:

Alberta, Saskatchewan and Ontario all report property taxes as a *percentage* of school funding at higher rates than Manitoba.

Actually: Using *percentages* are misleading – especially when we know that places like Alberta and Ontario have much higher property values to work with. So let's look at real dollars. For a straight comparison using the same assessed value for a home assessed at \$125,000 for 2006, the school taxes are as follows:

Toronto \$330

Calgary \$600

Saskatoon \$1,051

Montreal \$418

Winnipeg \$1,531

While a West Vancouver home assessed at \$1,125,930 has school taxes less of \$1,913.

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