



January 7, 2019

The Honorable Blaine Higgs,
Premier of New Brunswick, MLA (Quispamsis)
Chancery Place
P. O. Box 6000
Fredericton, NB
E3B 5H1
Canada

Via email: premier@gnb.ca

Dear Premier Higgs,

I write today to express the grave concern of the Greater Moncton business community to Bill 9, 'An Act to Amend the Assessment Act' which was introduced in the legislature on Dec. 12.

As you are aware, the intent of this legislation is to repeal sections of the New Brunswick Assessment Act so long-standing tax exemptions are repealed on 'structures', 'machinery and equipment', 'apparatus and installations', as well as their supporting foundations and power sources.

It appears the intent of Saint John Harbour MLA Gerry Lowe is to address what he perceives as a tax imbalance in his city, to shift more of the burden from residents to industry. If passed, this legislation will do considerable damage to New Brunswick's competitiveness and place an unreasonable tax burden on business.

Most other jurisdictions in Canada do not tax machinery and equipment. New Brunswick is already one of the least competitive jurisdictions in the country on business tax – why put us even further from the pack by adopting this ill-conceived legislation?

As Herb Emery, who holds the Vaughan Chair in Regional Economics at UNB, said in a recent commentary: "The bottom line is that New Brunswick has been experiencing a loss of its capital stock – machinery and equipment in particular – since 2008. It is ill-advised to contemplate making a change to the tax treatment of business property taxes like the current proposal without considering the economic risks that come with eroding business competitiveness."

If this legislation passes, we fear it will have a detrimental impact on all small and medium-sized business in the province – not just the large industrial players that Mr. Lowe seems to be targeting.

Food processing plants, micro-breweries, bakeries, auto service centres, grocery and convenience stores, even call centres and hospitals could be negatively impacted.

Rather than embrace legislation aimed at addressing a taxation issue in one city and aimed primarily at one employer, the province should review the full suite of taxes levied by municipal, provincial and federal governments. In this light, we support the suggestion by Green Party Leader David Coon for a Royal Commission on taxation in New Brunswick.

We urge you to work with the leaders of the other parties in the legislature to block this piece of legislation before it moves to final reading. It will have the opposite impact of its creator's intent – harming business investment in New Brunswick, killing jobs and making our province less attractive to outside investors.

As a Chamber of Commerce that speaks for close to 800 companies encompassing more than 30,000 employees in Greater Moncton, we remain ready to consult with your government and all MLAs to ensure New Brunswick has a tax system that produces long-term growth, jobs, and revenue to fund important public services.

Sincerely,



John Wishart
CEO
Chamber of Commerce for Greater Moncton

CC:
Honorable Ernie Steeves, MLA (Moncton Northwest)
Honorable Sherry Wilson, MLA (Moncton Southwest)
Bruce Fitch, MLA (Riverview)
David Coon, MLA (Fredericton South)
Brian Gallant, MLA (Shediac Bay-Dieppe)
Roger Melanson, MLA (Dieppe)
Monique LeBlanc, MLA (Moncton East)
Robert McKee, MLA (Moncton Centre)
Cathy Rogers, MLA (Moncton South)
Kris Austin, MLA (Fredericton-Grand Lake)