

Cariboo Regional District
File No.400-60.....



APR 26 2018

Referred ToCAO.....
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File: 0400-20

April 13, 2018

Honourable Carole James
Minister of Finance
PO Box 9048 Stn Prov Govt
Victoria, BC V8W 9E2

FILE COPY

Re: Employer Health Tax

Dear Minister James:

District of Clearwater Council understands that implementing an Employer Health Tax is administratively more efficient and replaces a "regressive tax" for Medical Services Premiums (MSP) which are not tied to income. An example noted in a recent press release notes that "a person earning \$45,000 a year pays the same as a person earning \$250,000".

It is understood that the new tax will be phased in over the next couple of years. Using the example of how this will be calculated whereby employers with payroll over the \$500,000 threshold will pay double, will put undue hardship on the District. Based on the information provided for 2019 we will pay half the Medical Services Premiums, plus the new tax. Based on the District's 2018 payroll of \$1,490,351. it will cost approximately \$38,661.85 (2019 Payroll Tax plus 2019 premiums \$9,600) for 2019. This works out to approximately a 1.5 percent increase on property taxes. The District of Clearwater is a small municipality of just over 2,400, and has limited ability to generate revenues outside taxation.

We ask that you consider options for an easier transition to the implementation of the Employer Health Tax. Thank you for your time and consideration to this matter of urgent concern to all B.C. municipalities.

Sincerely,

John Harwood
Mayor

cc: UBCM Municipalities

DISTRICT OF CLEARWATER
P 250.674.2257
F 250.674.2173
E admin@docbc.ca
PO Box No. 157
209 Dutch Lake Road
Clearwater BC V0E 1N0
districtofclearwater.com

