

April 12, 2022

To the Law Amendments Committee of the Province of Nova Scotia

Re: Proposal to Levy a Non-Resident Property Tax

I AM A NOVA SCOTIAN. I was born in the province, went to school there, spent time there every year of my life and have paid income tax to the province either personally or through my professional corporation since 1985. However, I am currently not a resident as I moved to Alberta for work and now reside there to support my children and grandchildren. My Nova Scotia home was purchased in 2009 and my wife and I have spent 3-5 months a year there since retirement in 2012 (with exception due to your rules related to COVID). After purchasing our home, we spend considerable funds on renovations, building a dock, landscaping, buying boats, etc. Each expenditure supported Nova Scotian jobs and included the payment of HST.

Despite our commitment to and support of the Province of Nova Scotia I now find that the government plans to levy a special 2% annual tax on my property believing it will help free up homes for people wanting to live and work in the province (primarily HRM) but that are unable to find housing. Presumably your thinking is that our home will become available as we will be forced to sell. Alternatively, you feel it is appropriate for us to pay the tax solely as we are non-residents for tax purposes and a non-voters. As retirees, with primarily pension income, the tax you will levy is onerous for us in comparison to provincial income tax we might pay.

I have written lengthy letters to the Premier and my MLA. The content of those letters is similar to many other letters you are receiving from residents and non-residents alike, expressing disbelief that you would impose such an egregious tax on one group of property owners. Rather than sending you another lengthy letter that likely won't be read I merely wish to appeal to your better judgement. Consider that:

- The vast majority of properties owned by non-residents are not in HRM and will not help the HRM housing crisis. Some aren't even winterized and wouldn't help with the need for year-round housing.
- Many non-residents already pay a higher tax than residents as their market valuations are not capped.
- Attacking non-residents with this tax will damage the province's reputation and ruin the relationship you have with many of your strongest ambassadors – people that draw others to the province as tourists.
- Funds raised by the tax will be offset by a reduction in Equalization payments from other provinces under the Canada Equalization Act. There will be no gain.
- To the extent non-residents keep their properties, they will look for ways to offset additional tax dollars spent. This will lead to less work for locals that do renovations and perform maintenance and there will be fewer donations to support the arts, health care, educational and other provincial needs.

- Other provinces that introduced additional land transfer tax or a special tax for non-residents focused on major centres experiencing a shortage and on taxing foreigners. They kept the annual tax low to allow non-residents to keep their properties. Nova Scotia's proposed tax is the highest non-resident property tax in Canada and one of the highest in the world.

In conclusion, please consider the many dissenting voices regarding this legislation, remove the tax from your budget papers and rethink how the province might best be able to address the current housing crisis while not damaging a significant component of the provincial economy. Since your budget was released, the federal government has announced its own proposals to help major centres like Halifax with its housing needs and to restrict foreign purchases of properties. These measures do not harm retirees such as myself but address your own stated goals.

Yours very truly,

David Connolly

[REDACTED]
Chester Basin, Nova Scotia [REDACTED]
[REDACTED]