

[REDACTED]

From: Ford Clements [REDACTED]
Sent: April 14, 2022 5:11 PM
To: Office of the Legislative Counsel
Cc: Premier; Finance Minister
Subject: Non-Resident Tax

**** EXTERNAL EMAIL / COURRIEL EXTERNE ****

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My name is Ford Clements. I was born in Nova Scotia, as were two of my children. I lived and worked there, for 38 years. I have family who reside there. We are decedents of empire loyalist. We have been residents since long before confederation.

I own a seasonal, unwinterized house. I have owned it for 25 years. I am not present for enough days in order to qualify as a resident. However, I am as Nova Scotian, as anyone who is resident.

Based on its current assessment, the proposed tax would increase my property tax bill by 150 to 200%
That feels punitive.

Your minister of finance has tied this proposed tax to the need to increase affordable housing for Nova Scotians.

The minister has acknowledged that it is unclear whether this tax will achieve his stated goal but he is reported to have said they had to do something. Notwithstanding that I appreciate the opportunity to speak to this committee, it is disquieting that important public tax policy is based on the notion or simple desire "*to do something*" without broad consultation and analysis about its impact and efficacy.

Sound public policy, depends on clear goals and objective criteria to achieve them.

Hope , that the proposed tax will achieve these goals is not objective .

The minister has said, he expects to raise \$ 81 million from this new tax. The proposed Provincial budget, appears to have set aside \$25 to \$ 30 million for affordable housing. Given that this tax is designed to raise revenue to meet that goal, it is difficult to reconcile that revenue-expenditure discrepancy.

Moreover , the absence of any mechanism to ensure that some, if not all the money raised by this tax, will be allocated for the stated goal may undermine the public's confidence in the government's actual commitment to its stated objective.

Fair Public Policy objectives , such as affordable housing, can only be justified, if the means used to fund those objectives are equitable. It is incumbent, on the Nova Scotia government , to devise an equitable formulation, to support tax discrimination between resident and non-resident citizens. While the legitimacy of such discrimination is, in the first instance, clearly debatable, the implementation of a differential tax , of any kind, raises other important issues of fairness and equity.

There is no evidence that all non residents are equally able to afford this extraordinary tax hike. The notion, that non-residents are able to personally absorb such a tax without sacrifice ignores and disrespects individual circumstances. Likewise, there no evidence that non resident's contributions to their communities, is insignificant or less significant, when compared to residents. Non-residents, are not a homogeneous group and should not be considered so, in crafting legitimate social policy.

There has been virtually no public discussion, as far as I can tell, about alternatives to a regressive tax, based on an archaic property assessment system, or even a consideration of a reduction in the proposed rate or a graduated rate or a so-called "grandfather" exception. The failure to consider income, retirement / employment status, citizenship or indeed,

the importance , if any , of one's birthright , undermines the legitimacy, of a public policy requiring non-residents to pay more taxes than residents.

Others who opposes this current legislation have suggested, for example , a surcharge. Assuming there are 27,000 non residents in the province, as has been suggested , then a flat surtax of \$1200 would raise the money allocated in the provincial budget for affordable housing.

Surely a more equitable and less punitive taxation model could provide not only additional revenue but some measure of equity and fairness that the current proposal cannot achieve.

While no one can accurately predict the adverse impact this tax is likely to have on non-resident spending in their communities, it is reasonable to consider that the tax will cause some non-residents to donate less, use fewer services , support fewer businesses and defer capital and maintenance expenditures. That loss may be impossible to measure but you can be sure, that resident Nova Scotians who serve the non resident community will notice and feel it.

As responsible public officials , I urge you to reconsider this proposed taxation. It is no dishonour to your duty or the process of governance that you serve, to do so. People consider and reconsider options and choices all the time. It is often a sign of character and strength.

More importantly it makes for better public policy and will serve the interest of all Nova Scotians, not just a few.

Thank you.

Ford Clements