

## Phase One: Impacts

### Fact Sheet

This is a fact sheet regarding impacts by property type as a result of *Improving New Brunswick's property tax system: A white paper*.

#### **Summary of Phase One Impacts in LSDs by Property Type\***

<b>Property Type</b>	<b>Impact</b>
Homeowners	<ul style="list-style-type: none"> <li>• Homeowners will be able to pay their property tax bills in monthly installments.</li> <li>• The Province will reduce the special provincial levy in LSDs of 63.15 cents by 22 cents and add the cost of policing to the local LSD rate over four years. The maximum impact for a homeowner is an increase in property tax of two cents per \$100 of assessment related to policing, or 0.5 of one cent per year. This would mean an increase of \$30 over four years for an owner-occupied house valued at \$150,000.</li> <li>• Some homeowners will experience an overall decrease in property tax.</li> <li>• Assessment Spike Protection Mechanism.</li> <li>• Assessment gap forms a permanent exemption until the property transfers.</li> </ul>
Non-Owner-Occupied (rental units, cottages and second homes)	<ul style="list-style-type: none"> <li>• Apartments, second homes and cottages will now pay their fair share for policing.</li> <li>• These property owners will see an overall reduction in their property tax due to the reduction in the provincial property tax rate. This more than offsets the increase due to the addition of policing costs to the local rate.</li> </ul>
Businesses	<ul style="list-style-type: none"> <li>• Businesses in LSDs will now pay their fair share with respect to policing costs.</li> <li>• The provincial property tax on businesses is being reduced, which largely offsets the increase due to policing.</li> <li>• For those LSDs with RCMP contracts, the maximum impact for a business property is an increase of three cents per \$100 of assessment at the end of four years.</li> </ul>

<b>Property Type</b>	<b>Impact</b>
Farmers	<ul style="list-style-type: none"> <li>• All farm land and farm buildings will pay the same amount or less property tax than they paid prior to the reform.</li> <li>• Farmers' homes will be treated in the same manner and experience the same impacts as other homes.</li> <li>• Farmers' businesses will be treated in the same manner and experience the same impacts as other businesses.</li> </ul>

\*All tax rate changes will be phased in over four years.

### **Summary of Phase One Impacts in Municipalities (Cities, Towns and Villages) by Property Type\***

<b>Property Type</b>	<b>Impact</b>
Homeowners	<ul style="list-style-type: none"> <li>• Homeowners will be able to pay their property tax bills in monthly installments.</li> <li>• Some homeowners in municipalities with RCMP contracts may face a modest property tax increase due to policing costs being adjusted, while some homeowners will see a decrease in property tax.</li> <li>• Assessment Spike Protection Mechanism.</li> <li>• Assessment gap forms a permanent exemption until the property transfers.</li> </ul>
Non-Owner-Occupied (rental units, cottages and second homes)	<ul style="list-style-type: none"> <li>• These property owners will see an overall reduction in their property tax due to the reduction in the provincial property tax rate.</li> </ul>
Businesses	<ul style="list-style-type: none"> <li>• Due to the provincial rate reduction, businesses in municipalities will see property tax savings.</li> </ul>
Farmers	<ul style="list-style-type: none"> <li>• All farm land and farm buildings will pay the same amount or less property tax than they paid prior to the reform.</li> <li>• Farmers' homes will be treated in the same manner and experience the same impacts as other homes.</li> <li>• Farmers' businesses will be treated in the same manner and experience the same impacts as other businesses.</li> </ul>

\*All tax rate changes will be phased in over four years.