

# Bill 71 The Education Property Tax Reduction Act

**May 10, 2021**



## ***Bill 71: The Education Property Tax Reduction Act***

The Manitoba Federation of Labour (MFL) is Manitoba's central labour body, made up of 30 affiliated unions and representing the interests of more than 100,000 unionized workers in our province. The MFL advocates for the interests of working families in the private and public sectors, including the need for strong public services, good jobs, and fairness in the workplace.

The K-12 education system is fundamentally important to our province. Providing the funding that schools need helps students, teachers and support staff, working families, and our province as a whole – both now and in the future.

But since 2016, provincial funding for K-12 has been cut in real dollars by 7.6%. School programs and electives being cut and school funding support just isn't keeping up with the need.

Currently, Manitoba's K-12 system is funded through a mixture of provincial funding (accounting for about 70 per cent of the total) and property taxes (accounting for about 30 per cent).<sup>1</sup> Seven of the 10 provinces levy education property tax (BC, AB, SK, ON, MB, QC, NS). This provides a mixture of funding from a variety of revenue sources (like income and sales taxes) along with property taxes. Because property taxes levels are based on the assessed value of the property, they tend to ensure that wealthier individuals pay higher taxes. That means that the rebates created by this bill would pay out more to wealthier Manitobans, on average.

I think it's important to state the obvious: Manitoba is in the middle of a crushing third wave of the COVID-19 pandemic. We are seeing deeply concerning daily case counts and more and more Manitobans going to the hospital as a result. Our province is experiencing its worst economic crisis since the Great Depression. The provincial government just posted its highest deficit ever, due in large part to this pandemic. Now is absolutely the wrong time to making tax cuts that will disproportionately benefit wealthy Manitobans.

This reduction in government revenue will come at a time when health care staff are facing high burnout and turnover, when workers are looking to government to ensure everyone has access to paid sick days, and when businesses that have been forced to shut down or severely reduce capacity are requiring meaningful support. Borrowing millions to finance this public relations stunt is fiscally irresponsible.

This government should instead be focused on keeping Manitobans safe, protecting public health, and supporting those who are impacted by this pandemic. We should be

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<sup>1</sup> 2018/19 FRAME report

using all available government resources to invest in the services that people are counting on, now more than ever.

I encourage this government to stop this plan to debt-finance tax cuts while so many parts of our province are suffering the immediate effects of this pandemic. Surely this government could be addressing the very real needs of the health care and education systems, of workplace safety and of supports for people whose jobs and businesses have been hurt by COVID-19.

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