

Non-profit daycares struggling given high City of Regina property taxes ^[1]

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EXCERPTS

It boggles Colleen Schmidt's mind that her little non-profit daycare is taxed on the same level as Walmart.

That's now the case with Cathedral Area Cooperative Daycare, where Schmidt is board president.

Located in a century-old house in Cathedral, the daycare's taxes doubled last fall after a City of Regina property reassessment. This daycare, as well as four others, had been paying residential taxes.

Paying commercial taxes, it's a further struggle for the non-profits to stay in business, and may translate into higher daycare fees for families.

"These are organizations that struggle to make ends meet," said Schmidt. "It's frustrating. It is astounding that this is the care of our children, the future of our province, our most precious thing we have, our kids.

"It's the kids who will pay the price if daycare isn't good."

The five daycares are petitioning the provincial government for a property tax exemption for every licensed non-profit daycare in Saskatchewan.

They are also appealing their commercial taxation; the Saskatchewan Municipal Board is to hear the appeal on Oct. 25.

Cathedral's budget last year included \$17,000 in bingo fundraising and \$10,000 in family fundraising. The daycare's children raised \$1,500 through recycling cans and bottles.

"We've got kids scrounging for change to keep daycare open," said Schmidt. "We wouldn't stay in business if it wasn't for fundraising."

Cathedral daycare's taxes now run \$7,750, up \$4,300 from last year.

At Whitmore Park Childcare Cooperative, taxes jumped to more than \$10,000 from about \$4,000.

Prohibitive commercial taxation of daycares is nothing new, though.

Stepping Stones Child Care Cooperative pays a total \$44,000 in annual property taxes between its three locations. Its two North Central daycares — taxed at a relatively more affordable rate — keep the third location afloat, said executive director Donna Rice.

Rice pointed to the "uneven playing field" of daycares being property taxed.

Half of their operating money is through provincial government grants, she said.

Further, if daycares were covered by the Education Act, as other early learning centres are, they would be exempt from property taxation.

Schools are exempt from property taxes, and so are the daycares located within them.

As it is, the Education Ministry regulates licensed childcare centres, staff are certified early childhood educators, and children are taught according to the ministry's pre-kindergarten and kindergarten curriculum.

Don Barr, the city's director of assessment, tax and real estate, said property taxes are based on provincial legislation and "daycares generally have been taxable all along."

As commercial properties, they need to pay the same taxes as other properties, said Barr.

"Of course we have sympathy for any and all non-profit groups as they're struggling to make it, but we simply don't have a choice in this case," said Barr. "Basically we need to follow the legislation for the tax class and it's pretty clear."

“The tax legislation is to deal with the property and not the use going on in the property.”

According to a provincial Government Relations spokesman, cities can create property classifications for tax purposes “as they see fit,” per the Cities Act.

Schmidt and Rice find that a tough pill to swallow, especially given this summer’s announcement of a two-year property tax exemption to two local curling rinks.

“Sure people curl, but we’re talking thousands of children. And curling, I’m expecting is hundreds of people, not tens of thousands of people,” said Rice.

Schmidt said city council won’t hear an application for a property tax break until the legal appeal is resolved.

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