

School Districts get break from Employer Health Tax

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School Districts across the province will get some relief from the newly implemented Employer Health Tax.

The province announced Friday that districts won't be adversely affected by the EHT.

School District 22 says they will receive \$648,000 in relief – The same amount they would of had to pay under the new tax.

The Employer Health Tax was introduced by the province on budget day in 2018, and took effect as of January 1, 2019.

Under the new tax, businesses and organizations with payrolls between \$500,000- \$1.5 million would get taxed at 2.925% percent.

Businesses with payrolls greater than \$1.5 million would pay a maximum tax rate of 1.95%.

Finance Minister Carole James says that the move is supposed to save an individual \$900 a year and a family \$1800 annually.

Critics of the new tax argue that the tax will have huge effects on businesses, many of which have to pay both the MSP and the EHT this year.

“The Employer Health Tax will have a cascading effect across the province, putting a chill on new hiring and pay raises, and risking property tax hikes from Port Alberni to Prince George,” said Kris Sims, B.C. Director of the Canadian Taxpayers Federation, in a press release. “This is a huge downloading of taxes from Victoria onto the backs of job creators and municipalities across the province.”

The B.C government introduced the tax in an effort to eliminate the MSP.

MSP premiums were cut in half in 2018 and the province says they hope to eliminate the MSP by January 1, 2020.