

Incentive Policy Provides Initial Tax Free Year for New and Expanding Businesses

As an incentive to help businesses overcome the cost of expanding or starting up, the City of Swift Current has approved a tax incentive policy.

Under the policy approved at their Feb. 25 city council meeting, qualifying businesses will be able to take advantage of a phased-in commercial taxation rate.

For expanding businesses they will be able to receive an assessment exemption of 100 per cent in year one and two, 50 per cent in year three, 25 per cent in year four, before full taxation levels kick in year five.

New businesses can take advantage of an assessment exemption of 100 per cent in year one, 50 per cent in year two, 25 per cent in year three, with full taxation levels beginning in year four.

The directive was developed by Action Swift Current and the Swift Current Chamber of Commerce.

Council voiced concerns that the policy would be accessed by large retailers, putting more pressure on existing businesses. However, representatives of the business community which sat on Action Swift Current's Expansion and Retention committee, discussed this issue extensively.

"That was brought up in length," explained Marty Salberg, Director of Business Development. "If there was a market for a new business to come in, and it would be in competition with our existing businesses, that's why we have a more

aggressive exemption policy for existing businesses so they can take advantage of that market that isn't being addressed."

Salberg explained the policy was drafted so that new businesses could move in, but existing businesses would also be encouraged to expand in order to fill existing market niches. Having an additional assessment exempt year for existing businesses would help them compete against any interest shown by a major retailer.

"Essentially it's a more aggressive policy for the existing businesses," Salberg said.

The exemption applies on assessment increases only, and does not apply to businesses location in a mall or another location where the assessment does not change.

Under the incentive policy, the assessment exemption will be applied to any increased assessed value or an existing building due to renovations or new construction. The exemption will also be applied to the assessed value of any expansion or new construction on bare land.

A separate incentive policy will apply for manufacturing and processing businesses locating within the industrial parks of the City of Swift Current.

Council also reserves the right to approve each incentive individually, and they have the opportunity to customize a tax package for each project.

*Press Release Date:
The Southwest Booster
March 8, 2003*