PST Expansion Targets the Price of Safety, Warns BIABC

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Victoria, BC – The Business Improvement Areas of British Columbia (BIABC), representing the majority of BIAs and roughly 55,000 businesses across the province, is warning that expanding the Provincial Sales Tax (PST) to essential services - including security - will directly raise the cost of operating businesses, when they can least afford it.

"For many storefront businesses, security services are not optional - they are the difference between staying open and closing," said BIABC President Jeremy Heighton. "Taxing them is not the same as taxing growth; it is taxing safety."

Across BC, businesses have significantly increased spending on guards, patrols, monitoring systems, and incident response due to escalating theft, vandalism, disorder in commercial areas - and to help protect employees and customers.

BIABC notes that while repeat violent crime garners much of the headlines, a recent BIABC survey of businesses found non-violent repeat crime is also imposing a significant and growing financial burden on local businesses.

The survey found:

- Almost 90% of respondents say non-violent repeat crime has had a moderate to very significant impact on their business or commercial area
- Nearly 40% report annual losses exceeding $5,000, with many reporting losses in the tens of thousands
- Most businesses report crime has increased compared to previous years

For many businesses, these impacts translate into recurring financial losses driven by theft, break-ins, vandalism, and chronic disorder.

BIABC also suggests the impact of expanding the PST does not stop at safety services. The PST expansion also applies to universally required professional services such as accounting, payroll, and compliance support - costs every business must incur to meet regulatory and tax obligations. And it will also have

an impact on non-profits, including BIAs that operate on fixed budgets that don't have flexibility to take on new or unexpected costs.

BIABC says the timing of expanding the PST could not be worse. Businesses are managing inflation, labour shortages, insurance increases, weak consumer confidence, and rising public safety costs.

The organization is urging the province to pause implementation and undertake structured consultation with the small-business and non-profit communities to fully assess real-world impacts before proceeding.

About BIABC

The Business Improvement Areas of British Columbia (BIABC) is the provincial champion of strong, vibrant, and successful downtowns, main streets, and commercial districts throughout the province. Its members represent more than 80 business districts, employing hundreds of thousands of retail, service, and office workers.

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Media Contact:
Kelly Gleeson
kgleeson@lbmg.ca
604-240-6231