September 26, 2008

Mayor M. Harding Members of Council City Of Woodstock 500 Dundas Street Woodstock, Ontario N4S 7W5

Dear Mayor Harding and Members of Council:

*Re: City of Woodstock support of Provincial Sales Tax Exemption for Police Services*

Recently the Owen Sound City Council passed a resolution which supported the Ontario Association of Chiefs of Police (OACP) position that ALL Ontario Police Services should be exempt from provincial sales tax on goods and services.

See Appendix “A”

As a member of the Ontario Associations of Chiefs of Police and as your Chief of Police for the past 7 years, I have always been of the opinion that all Ontario Police Services should be exempt from the provincial sales tax on goods and services. All Police Services in Canada have the ability to either be exempted from paying the Federal GST, sales tax on goods and services or if the GST was paid on purchases or services have the ability to apply for and receive the GST paid rebated to the Police Service. This has been the process with GST for many years.

All Ontario Police Chiefs are faced with the challenging task of providing adequate and effective levels of police service delivery to our communities balanced against reasonable financial costs to the Municipalities. In the case of Woodstock and all other Municipalities, which maintains its own Municipal Police Service the strong majority of financial costs to maintain the Police Service is associated to the local property taxes of the Municipality.
Police Services are constantly faced with significant and increasing costs to maintain the equipment and infrastructure of the Police Service, which includes vehicles, specialized equipment, buildings, even equipping the officers with their required uniforms and personal equipment.

One of the very simple ways to reduce some of the Ontario Police Services’ operating costs would be for the Provincial Government to provide full and inclusive exemption to Ontario Police Services on the PST, provincial sales tax on goods and services. This would remove some burden from the local taxpayers who support the financial operation of their Municipal Police Service.

Though I do not have any supportive documentation, I believe it would be interesting to have confirmation from the Provincial Government as to whether the Provincial Police Service, the Ontario Provincial Police is exempted from or rebated the PST on any applicable purchase made where normally provincial sales tax on goods and services would apply.

The membership of the Ontario Association of Chiefs of Police in 2006 and 2008 have passed Resolutions to lobby the Provincial Government to provide full exemption of the PST, provincial sales tax on goods and services, to Ontario Police Services. The Association of Chiefs of Police have lobbied the Provincial Government yearly to institute the exemption; to date the Provincial Government has not implemented the exemption. At the same time, the Ontario Association of Chief of Police have passed Resolutions and lobbied the Provincial Government to exempt Ontario Municipal Police Services under the Highway Traffic Act from purchasing yearly validation for each of the police services vehicles. It is interesting to note that the Ontario Provincial Police operating vehicles owned by the Provincial Government by legislation in the Highway Traffic Act are exempt from the requirement of acquiring and the expense of yearly validation for the vehicle licences.

See Appendix “B” which contains the original OACP Resolutions from 2006

I find the lead that the City of Owen Sound has taken on this issue to be admirable and request that the City of Woodstock Council follow the lead of Owen Sound in passing a similar resolution.

**Be It Resolved**, that Council for the City of Woodstock hereby resolves that the Government of Ontario provide full exemption of provincial sales tax on goods and services for Ontario Police Services similar to the GST exemption.

Further if Council so chooses to pass a second resolution

**Be It Resolved**, that Council for the City of Woodstock hereby resolves that the Government of Ontario provide the same exemption for annual licence fees for municipal police vehicles as provided to the Ontario Provincial Police and to fire vehicles.

I would suggest that Council for the City of Woodstock also consider the action of the City of Owen Sound by circulating the City of Woodstock Council Resolution to all municipalities in Ontario through an AMO broadcast seeking support for the sales tax exemption for Ontario Police Services purchases.

Ron Fraser Chief of Police Oxford Community Police Service

**APPENDIX “A”**

That Owen Sound City Council hereby endorses resolution 2008-03 from the Ontario Association of Chiefs of Police regarding the exemption of sales tax for Ontario Police Services

Whereas police services in Ontario are faced with on-going financial pressures to be able to provide reasonable levels of...
service to keep Ontario communities safe, and

Whereas local property taxes are the main source of funding for municipal and regional police service budgets, and

Whereas police services are faced with significant costs in paying for necessary specialty equipment, vehicles and buildings that are unique to ensure a safe Ontario, and

Whereas the federal Government has shown leadership in exempting municipalities from having to pay GST in recognition of one level of government taxing another.

Therefore be it resolved that the Government of Ontario provide a full exemption of provincial sales tax on goods and services for Ontario police services similar to the GST exemption.

And further That a copy of this resolution be circulated to all municipalities in Ontario through an AMO broadcast seeking support for the sales tax exemption for Ontario Police Services purchases.”

APPENDIX “B”

Sales Tax Exemption “Police Vehicles and Equipment June 28, 2006

WHEREAS the cost of policing in Ontario continues to increase and municipal budgets are affected in terms of ensuring an effective police service, and

WHEREAS the Retail Sales Tax RSO. 1990 Chapter R 31, Section 7, Paragraph 23 provides exemptions for fire vehicles when purchased at a price of more than $1000.00 per vehicle for the exclusive use of a municipal, university, public hospital, Local Services Board or volunteer group, and repair parts of such vehicles (RSO 1990 Chapter 31, Section 7 (1), Paragraph 23).

THEREFORE BE IT RESOLVED that the Ontario Association of Chiefs of Police call on the Government of Ontario to legislate a Retail Sales Tax exemption for municipal vehicles purchased for police use and related accessories.
Vehicle Licence Exemption June 28, 2006

WHEREAS the costs related to policing is escalating, and

WHEREAS the provincial government provides an exemption for licence fees for fire vehicles, and

WHEREAS an exemption is currently provided for Ontario Provincial Police vehicles.

BE IT RESOLVED THAT the Ontario Association of Chiefs of Police call on the Government of Ontario to provide the same exemption for annual licence fees for municipal police vehicles.