

**Mayor**

Ross Siemens

Councillors

Les Barkman

Kelly Chahal

Patricia Driessen

Simon Gibson

Dave Loewen

Patricia Ross

Dave Sidhu

Mark Warkentin

May 8, 2026

File: 0530-003/0400-30

Via email - FIN.Minister@gov.bc.ca

The Honourable Brenda Bailey
Minister of Finance
Province of British Columbia

Dear Minister Bailey:

Re: Provincial Sales Tax Expansion

The City of Abbotsford has received a copy of your April 30, 2026 response to the Village of Zeballos regarding the expansion of the Provincial Sales Tax (PST). We appreciate your explanation of the Government of BC's rationale, including the goal of broadening the tax base to better reflect the modern, service-oriented economy.

On behalf of Abbotsford City Council, I am writing to respectfully reinforce concerns raised by local governments across British Columbia regarding the application of PST to professional and related services, and to request further consideration of measures that would mitigate the impacts on municipalities.

As reflected in the City of Abbotsford's proposed 2026 UBCM resolution, local governments already face substantial fiscal pressures, including infrastructure renewal, climate adaptation, and housing delivery, with limited revenue tools available. Applying PST to required professional services represents an internal cost shift within the public sector that constrains the ability of local governments to effectively deliver provincially mandated and essential community services. Professional services are crucial for municipal infrastructure delivery, regulatory compliance, and long-term capital planning.

While we acknowledge that the tax will apply to only a portion of certain service costs, the cumulative financial impact on local governments remains significant and creates upward pressure on project budgets and property taxation without improving service outcomes.

We also note the province's reference to broader tax policy alignment across jurisdictions and measures taken to reduce costs for businesses and local governments. While these measures are appreciated, they do not directly offset the specific and immediate financial impacts of the PST expansion on municipal capital and operating budgets.

Consistent with Abbotsford's UBCM resolution and the concerns raised by other communities such as the Village of Zeballos, we respectfully request that the province consider one of the following approaches:

1. Exempt local governments from the application of PST on professional and related services;
or
2. Implement a rebate or offset mechanism, similar to the GST model, to avoid intergovernmental cost downloading and mitigate impacts on affordability and infrastructure delivery.

We believe these approaches would maintain the broader tax objectives while recognizing the distinct role of local governments as public service providers operating within constrained fiscal frameworks.

The City of Abbotsford values its strong partnership with the Government of BC and remains committed to working collaboratively on solutions that support sustainable infrastructure investment, housing delivery, and community well-being. We would welcome the opportunity to engage further with you and your ministry to explore options that address these concerns.

Thank you for your consideration.

Sincerely,



Ross Siemens
Mayor

- c. Hon. Christine Boyle, Minister of Housing and Municipal Affairs
Bruce Banman, MLA Abbotsford South
Harman Bhangu, MLA Langley - Abbotsford
Reann Gasper, MLA Abbotsford-Mission
Heather Maahs, MLA Chilliwack North
Korky Neufeld, MLA Abbotsford West
Union of British Columbia Municipalities
British Columbia Regional Districts
Council members
Peter Sparanese, City Manager