



City Mayors' Caucus

February 10, 2023

FOR IMMEDIATE RELEASE

Saskatchewan Cities Feeling Pinch of PST on Municipal Construction Projects

As municipalities finalize their municipal budgets and prepare for the 2023 construction season, Saskatchewan's hometowns are continuing to feel the pinch of PST on municipal construction projects. Cities are paying millions of dollars in PST on infrastructure projects designed to improve the quality of life for their residents and surrounding areas.

"Local governments are responsible for approximately 60 per cent of public infrastructure," Mayor Gerald Aalbers, Chair of the SUMA City Mayors' Caucus and Vice-President of Cities for SUMA, said. "Our hometowns largely build and maintain that infrastructure through government grants like the Municipal Revenue Sharing program. But one-quarter or more of our Municipal Revenue Sharing dollars are being returned to the province in the form of PST on construction projects."

Based on data gathered by SUMA, medium-sized cities in Saskatchewan returned 24-39 per cent of their total Municipal Revenue Sharing grant back to the province in the form of PST on construction projects in 2021. The City of Yorkton paid approximately \$1 million in PST on their infrastructure projects, and for the City of Prince Albert, the total was \$2.8 million. Through Municipal Revenue Sharing, the cities received \$3.2 million and \$ 7.1 million, respectively.

When the exemption of PST on construction projects was removed in 2017, Saskatchewan's hometowns raised concerns over the additional costs, requesting an exemption. With inflation, costs have increased drastically, further impacting the already limited budgets of Saskatchewan's municipalities. For those cities undertaking major infrastructure projects, like the City of Prince Albert, the percentage of funding returned to the province through PST on construction projects is anticipated to rise substantially.

"We truly appreciate the funding provided to our communities through programs like Municipal Revenue Sharing," Mayor Aalbers said. "But we are returning a significant portion of this funding through PST on municipal construction, funding that could instead be used to enhance municipal services and limit property tax increases."

The impact of PST on infrastructure projects in Saskatchewan's cities was discussed during the virtual SUMA City Mayors' Caucus meeting February 9. SUMA's City Mayors' Caucus brings together representatives from Saskatchewan's 16 cities to discuss issues of common concern and project a strong, unified voice on the most pressing and important local and provincial issues facing Saskatchewan's cities.

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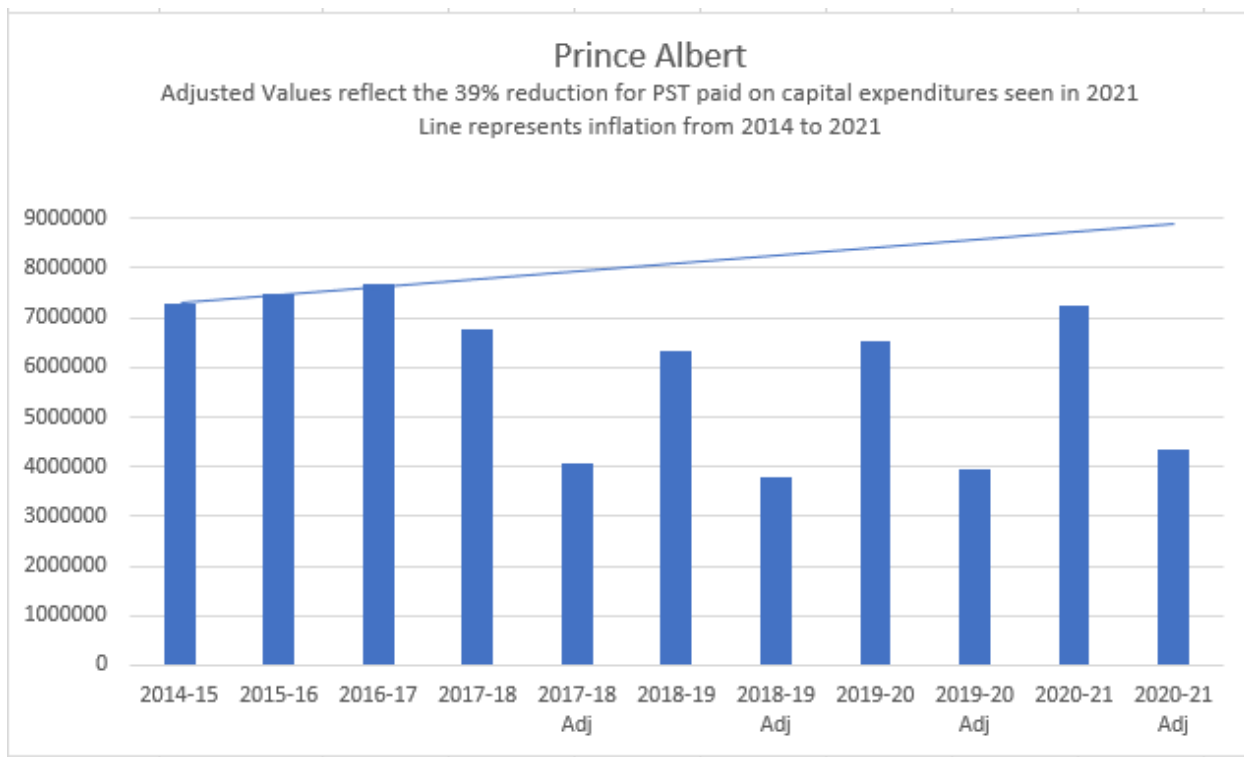
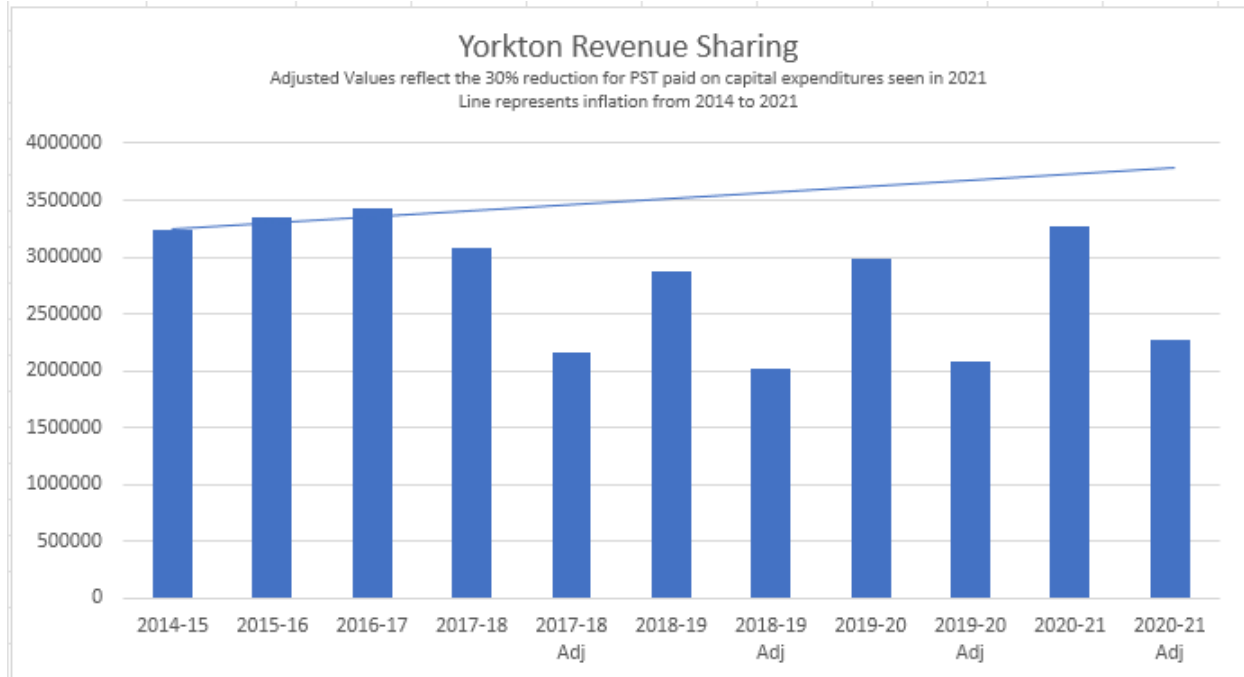
Attachment: Yorkton, Prince Albert, and Swift Current Revenue Sharing
Link to a CMC video statement: [PST on Municipal Construction](#)

For more information visit www.suma.org, or to arrange an interview please contact:

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Founded in 1905, SUMA is the voice of Saskatchewan's hometowns.

Yorkton, Prince Albert and Swift Current Revenue Sharing



Swift Current Revenue Sharing

Adjusted Values reflect the 24% reduction for PST paid on capital expenditures seen in 2021

Line represents inflation from 2014 to 2021

