



October 26, 2021

**City of Toronto Executive Committee**  
12th Floor, West Tower, City Hall  
100 Queen Street West  
Toronto, ON M5H 2N2

Email: [exc@toronto.ca](mailto:exc@toronto.ca)

**Re: EX27.7 Implementing a Small Business Property Tax Subclass**

To the Executive Committee of the City of Toronto,

Firstly, on behalf of Ontario's hospitality industry, we at the Ontario Restaurant Hotel & Motel Association (ORHMA) thank you for your continuous efforts to support our industry, especially throughout the challenges inflicted by COVID-19. The pandemic has negatively impacted many sectors across the province, but the hospitality sector specifically has been hit the hardest no doubt. Businesses are in dire need of support and any type of assistance for economic recovery.

ORHMA is pleased to see that the City of Toronto is planning to implement the proposed deduction of 15 per cent for the Subclass of the commercial property class tax rate. Small and independent hospitality operations have long advocated for the need of such a tax reduction and with COVID-19's pandemic devastation on the industry it is critical to implement such.

Council should view this tax design as a first stage and support a longer year commercial property tax plan that can also benefit other smaller businesses not captured in the proposed 2022 deduction due to the property size criteria currently being set.

Council's objectives and priorities for economic development makes reference that deductions in commercial property taxes should be aimed "in areas where it is needed most, and to benefit business tenants".

**Recommendation:**

**We are concerned that in the absence of a rule that these savings will not flow down to the tenant and only the landlords and developers will be supported. We urge you to incorporate a mechanism that supports and benefits the intend of this deduction that of small and independent businesses.**

We at ORHMA thank you for your consideration of our recommendations. Please do not hesitate to contact the ORHMA office as we welcome the opportunity to discuss further should you have any questions.

Yours in hospitality,

Tony Elenis  
President & CEO  
Ontario Restaurant Hotel & Motel Association (ORHMA)

cc: John Tory (**Chair**)  
Paul Ainslie  
Ana Bailão  
Gary Crawford  
Jennifer McKelvie  
Denzil Minnan-Wong  
James Pasternak  
Michael Thompson  
Cathrine Regan