



LAWSON

Ottawa deserves better.

ALEX LAWSON FOR MAYOR

The Small Business Tax Cut.

We can't grow the base if we aren't competitive.

POLICY PAPER

OCTOBER 2026

01 / OVERVIEW

Toronto moved. Ottawa froze.

In 2022, Ottawa started giving small businesses a discount on the City's share of their property tax. By 2023 it reached 15 per cent. It was the right idea. Then it was frozen.

Toronto started at the same 15 per cent. This February, Toronto raised it to 20.

Even when both cities were at 15 per cent, an Ottawa owner with a \$450,000 property paid 28 per cent more than the same owner in Toronto. That's according to the Canadian Federation of Independent Business. CFIB says the gap is now about 35 per cent.

In March, CFIB asked Ottawa to go to 25 per cent. In April, the City kept it at 15. The staff report said the savings are "unlikely to be a significant factor in job creation."

A third of the Ontario small business owners CFIB surveyed say they would hire with more tax relief. Alex Lawson believes the people who sign the paycheques.

OTTAWA VS TORONTO

28%

More tax in Ottawa on the same \$450,000 property, both at 15%

CFIB, March 2026.

COMMERCIAL BASE GROWTH

0.04%

Growth in Ottawa's commercial tax base in 2025

City of Ottawa, 2025 Tax Policy report.

AVERAGE YEARLY SAVINGS

\$6,200

At 25%, up from about \$3,700 today (est.)

Campaign estimate from City of Ottawa tax policy reports.

COST TO THE CITY

\$8.4 million

A year, about a quarter of one year's new tax growth

City of Ottawa, 2026 Tax Policy report.

02 / A THIN BASE MEANS A HIGH RATE

We can't grow the base if we aren't competitive.

Ottawa's commercial tax base grew 0.04 per cent in 2025, then 0.31 per cent in 2026. Those are the City's own numbers.

Business pays almost a quarter of Ottawa's property tax. Over the last two years it brought in about four cents of every new tax dollar. When the base doesn't grow, the rate goes up on everyone.

Toronto can charge business less because its base is bigger. Ottawa can't fix that by standing still. It fixes it by being the city where it makes sense to open, hire and expand. More businesses mean more jobs and more competition for your dollar. That is how prices come down.

Ottawa got a C-minus from CFIB this year. Toronto beat us. This is part of how we stop losing to Toronto.

03 / THE PLAN

Five commitments.

COMMITMENT 01

25 per cent, in the first budget.

No phasing. No half-measures. Ottawa moves from 15 to 25 per cent in Alex Lawson's first budget, inside the Province's 35 per cent limit.

COMMITMENT 02

Pay for it from growth, not from the business next door.

The City's share comes from new commercial and industrial growth and from efficiencies, not from raising the rate on other businesses.

COMMITMENT 03

No more patio fees.

Every City patio fee goes: the first-time review fee, the permit processing fee, the monthly rent for space on the street, and the café seating fee. Patios still need a permit and still have to meet safety and accessibility rules. A business that wants to put tables outside shouldn't have to pay City Hall for the privilege.

COMMITMENT 04

No more overnight tax hikes.

Any tax policy change that raises a class's taxes by more than 10 per cent in a year is phased in over at least four years, with written notice to every owner the fall before.

Get it to main street.

Review eligibility with CFIB, the Board of Trade and the BIAs so the discount reaches the businesses it was built for.

04 / THE PARKING LOT LESSON

Same City Hall, different rules.

In 2025, City Hall ended a tax class that had existed since 2001. Parking lots and vacant land had been taxed 32.5 per cent below the regular commercial rate. Council ended it in one year, with no phase-in. That meant 1,923 properties, \$10.7 million, and increases of 41 to 46 per cent. The owner of a bowling alley near Wellington told Alex the tax bill went up about \$40,000. The average homeowner saved four dollars. The City's own report listed "increasing the costs of parking" among the reasons.

City Hall knows how to phase in a change when it wants to. It phased in the small business discount over two years. It is phasing a tax cut for apartment buildings over four years. It phased out tax capping over four years. Parking lot and vacant land owners got one.

Over four years, that increase would have been about 10 per cent a year. For the bowling alley, that is roughly \$9,000 to \$12,000 a year instead of \$40,000 at once.

Under Alex Lawson, no business gets an overnight tax hike again.

05 / STRAIGHT TALK ON THE MONEY

A quarter of one year's growth.

The 15 per cent discount is worth about \$12.6 million on the City side in 2026. Going to 25 per cent adds about \$8.4 million a year.

That is about a quarter of one year's new tax growth. Ottawa added \$37 million in new growth in 2026.

Under most commercial leases the tenant pays the property tax, so the tenant gets the cut. For a \$450,000 property, CFIB estimates the move from 15 to 25 per cent saves more than \$1,300 a year. Every dollar stays in local businesses: wages, hiring, and keeping the doors open.

06 / PART OF THE PLAN

A Lawson council says yes.

The tax cut works alongside Report Red Tape, Open During Construction, Free Up Parking and Jobs and Growth.

Toronto moved. CFIB asked. City Hall said no. A Lawson council says yes, in the first budget.

07 / SOURCES & VERIFICATION

Every figure here is sourced.

OTTAWA'S SMALL BUSINESS SUBCLASS

Approved in 2021 and phased in over 2022 and 2023 to a 15 per cent discount, unchanged since. City of Ottawa, 2025 Tax Policy and Other Revenue Matters, p. 28.

<https://pub-ottawa.escribemeetings.com/filestream.ashx?DocumentId=232892>

TORONTO AT 20 PER CENT

Toronto raised its small business discount from 15 to 20 per cent in February 2026. CFIB, February 10, 2026.

<https://www.cfib-fcei.ca/en/media/cfib-applauds-toronto-for-increasing-small-business-tax-savings>

OTTAWA VS TORONTO, CFIB'S ASK, AND HIRING

A \$450,000 property paid 28 per cent more in Ottawa than in Toronto with both at 15 per cent; Toronto's increase "now pushes that gap to 35%." CFIB asked Ottawa for 25 per cent, saving a \$450,000 property more than \$1,300 a year. 34 per cent of 848 Ontario members surveyed in July 2025 said more tax relief would help them hire. CFIB, March 3, 2026.

<https://www.cfib-fcei.ca/en/media/the-city-of-ottawa-can-save-smes-hundreds-in-property-taxes-it-should-take-the-opportunity>

2026 TAX POLICY REPORT

To Council April 8, 2026. Subclass kept at 15 per cent; estimated 2026 savings \$12,594,137. Staff: savings "unlikely to be a significant factor in job creation." Commercial levy growth 0.31 per cent; total levy growth \$37.2 million. Going to 25 per cent adds 10/15 of \$12.6 million, about \$8.4 million.

<https://pub-ottawa.escribemeetings.com/filestream.ashx?DocumentId=305531>

2025 TAX POLICY REPORT

Commercial levy growth 0.04 per cent. Commercial and industrial taxes are 24 per cent of the levy. Their share of new growth was \$0.96 million of \$30.0 million (2025) and \$1.93 million of \$37.2 million (2026), about four cents a dollar. Parking and vacant land class (32.5 per cent below commercial since 2001) ended with no phase-in: 1,923 properties, \$10.7 million, increases of 40.7 to 46.4 per cent, \$4 for the average home.

<https://pub-ottawa.escribemeetings.com/filestream.ashx?DocumentId=232892>

CITY PATIO FEES

The City's 2026 fee schedule charges outdoor patios a first-time review fee, a permit processing fee and a monthly rent per square metre of street space (summer and winter rates), and charges café seating an annual fee. City of Ottawa, 2026 Budget, Rates, fees and charges.

<https://ottawa.ca/en/city-hall/budget>

PHASE-INS

Small business discount phased over 2022 and 2023; multi-residential tax ratio reduced from 2025 to 2028; accelerated four-year exit from tax capping ending in 2026. City of Ottawa, 2025 and 2026 Tax Policy reports. A 46 per cent increase spread over four years is about 10 per cent a year.

<https://pub-ottawa.escribemeetings.com/filestream.ashx?DocumentId=305531>



AVERAGE SAVINGS ESTIMATE

Campaign estimate. The 2025 average saving per subclass property was about \$2,600 on the City share plus about \$1,100 on the rest of the tax bill, about \$3,700. At 25 per cent the same property saves about 25/15 as much, about \$6,200.

<https://pub-ottawa.escribemeetings.com/filestream.ashx?DocumentId=232892>

Authorized by the official agent of the Alex Lawson campaign.