



**EXEMPTING LOCAL GOVERNMENTS FROM
EXPANDED PROVINCIAL SALES TAX**

City of Abbotsford

WHEREAS the Government of British Columbia's 2026 Budget expands the application of the Provincial Sales Tax (PST) to a broader range of services, including professional services such as engineering, architectural, and related advisory services that are routinely required by local governments to deliver core infrastructure and services;

AND WHEREAS local governments have limited revenue tools and are already facing significant financial pressures related to infrastructure renewal, climate adaptation, housing delivery, and regulatory compliance, and unmitigated application of the expanded PST further constrains local government fiscal capacity;

AND WHEREAS local governments are public-sector entities that deliver provincially mandated and community-essential services, and the application of PST to local government purchases represents a cost shift within the public sector that does not increase service value but places additional pressure on local government operating and capital budgets;

THEREFORE BE IT RESOLVED that the Union of British Columbia Municipalities urge the Government of British Columbia to exempt or eliminate the impact to local governments from the application of the expanded Provincial Sales Tax requirements introduced in the 2026 Budget, including PST applied to professional and related services, to avoid intergovernmental cost downloading and to protect local government financial sustainability and local affordability.