

HALIFAX REGIONAL MUNICIPALITY

HRM TAX REFORM COMMITTEE

MINUTES

February 28, 2008

PRESENT: David Grace, Chair
Councillor David Hendsbee
Councillor Andrew Younger
Councillor Linda Mosher
Councillor Sue Uteck
Councillor Reg Rankin
Patrick Flinn
Giselle Kakamousias
Andrew Murphy
Janice Malay

REGRETS: Councillor Brad Johns
Mark Gilbert
Robert Grace

STAFF: Mr. Bruce Fisher, Manager, Fiscal & Tax Policy
Mr. Andre MacNeil, Financial Consultant
Ms. Barbara Coleman, Legislative Assistant

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1. **CALL TO ORDER**

The meeting was called to order at 10:15 a.m. at Halifax Hall.

2. **APPROVAL OF THE MINUTES** - February 7, 2008

The approval of the minutes was deferred until the next meeting of the Tax Reform Committee.

3. **APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

MOVED By Councillor Mosher, seconded by Councillor Uteck that the Order of Business be approved as presented.

4. **BUSINESS ARISING OUT OF THE MINUTES** - None

5. **CONSIDERATION OF DEFERRED BUSINESS**

6. **CORRESPONDENCES, PETITIONS AND DELEGATIONS**

6.1 **Tax Reform - Submissions**

The Committee noted the correspondence received and gave to staff for their response.

7. **REPORTS**

7.1 **Finalize Ability to Pay**

- A power point presentation dated February 28, 2008 was before the Committee.

Mr. Bruce Fisher, Manager, Fiscal & Tax Policy gave an overview of the presentation noting the following:

- average property tax is about 2% of the household income.
- providing relief and how progressive should it be - \$28, 000 or higher
- should not reinvent the wheel; could try to tie it into the Federal GST Credit program
- of the homeowners under \$28k, only 24% apply to the current program

Discussion ensued noting the pros and cons of this system of tax relief.

Mr. Fisher reviewed the different options that Tax Reform could take and what would the pros and cons would be to each option.

Discussion ensued with Committee agreeing that Option 3 would be the better choice.

MOVED By Councillor Mosher, seconded by Ms. Malay that the Tax Reform Committee:

- 1. Adopt option 3 of the Tax Reform Ability to Pay dated February 28, 2008 which is \$1,000.00 Rebate plus \$100.00 per child reduced by 7 % of income over \$18,000.00; and,**
- 2. Staff to come back with a report assessing a high income surtax and the use of the income tax system as an alternative source to represent the ability to pay component of municipal revenue.**

Discussion ensued on the motion with Mr. Fisher and Mr. Andre MacNeil, Financial Consultant answering questions and concerns of the Committee.

MOTION PUT AND PASSED

7.2 Commercial Strategy

- Presentation dated February 28, 2008 named Tax Reform Commercial Strategy

Mr Fisher reviewed the presentation with the committee with he and Mr. macneil answering questions and concerns of the Committee. It was noted that Commercial taxes need to be more in line with services received. There needs to transparency and accountability so that commercial taxpayers will have a clearer understanding of where their tax dollars are being spent.

Discussion ensued on the commercial taxes; however, it was felt that the residential tax side of the reform should be completed first.

8. ADDED ITEMS

9. NEXT MEETING DATE

The next meeting date will be March 6, 2008.

10. ADJOURNMENT

The meeting adjourned at 12:20 p.m.