

## **What is the Current Tax System in HRM**

Property Tax was first used in the 1880's. At that time the value of one's home was seen as being a proxy for wealth or ability to pay. Today, all property values (known as **assessments**) are estimated by the Property Valuation Services Corporation. Property tax rates are set by the municipality.

### **What are the General Tax Rates?**

Prior to amalgamation in 1996 each municipal unit each had a "general" tax rate (levied on each property) and a host of area tax rates (levied on properties within specific areas). In total there were about 250 combinations of different tax rates. Today there are three general tax rates. Most major services (eg police, fire, roads) are included in each rate. However,

- **Urban** - Includes transit, sidewalks, recreation and crosswalk guards;
- **Suburban** - Includes recreation and crosswalk guards. Transit and sidewalks are area rated, if the service is available;
- **Rural** - Transit, sidewalks, recreation and crosswalk guards are area rated, if available.
- All areas pay the same Provincial Area Rate for province-wide programs such as education, corrections, housing and assessment services.

### **What other Taxes and Fees Exist?**

HRM is more **dependent on property** tax than any other major city in Canada. In addition to property taxes, however, there are a number of **other taxes and fees** that exist. These include

- **Deed Transfer Tax**, a 1.5% tax charged on the sale price of all properties;
- **Pollution Control Charge**, an amount charged on sewers users for all sewer costs;
- **Water** charges, levied by the Halifax Regional Water Commission on central water users for all piped water costs;
- Capital Cost Contribution (CCC) are charges levied on new home builders to pay for the offsite services for new development.
- **Other property taxes** levied on forest, farm and recreational property;
- **Local Improvement Charges** are a tax levied to pay for the first-time installation of sewer and water installations, sidewalks or paving of gravel roads;
- Hydrant charges - levied on properties within 1,200 feet of a hydrant;
- Other fees including transit fares, building permits, recreational fees, etc..

### **What Issues Exist with Property Taxes?**

Many taxpayers feel that home values (and hence property taxes) don't fairly represent either their services or their ability to pay for taxes.

- Some feel they should only pay for sidewalks, transit or recreation centres if they use or have the service. Defining who has the service is often difficult;
- Lower income communities can find it difficult to afford area-rated services such as sidewalks, transit or recreation;
- In many cases property taxes can consume a high percentage of income. (**Rebates or deferrals of taxes** are available to families with incomes under \$28,000).

### **For more information**

- See HRM's Tax Reform website at: <http://www.halifax.ca/taxreform/>, or
- Call HRM's Tax Reform phone line at: (902) 490-4886, or
- Email us at: [taxreform@halifax.ca](mailto:taxreform@halifax.ca).