



Non-Profit Tax Relief

Grants Committee

July 21, 2014



Outline

- **June 9th Meeting & Direction**
- **Sample NP Rates & Implications**
 - By three groupings
 - By Community sector
 - By Individual organization
- **Recommendation**
- **Next Steps**



June 9th Meeting

- **Committee Direction:**
that staff return with draft tax rates for the Housing and Community Model, showing the impact by each non-profit
 - Housing rates, comparable to low-income homeowners
 - Subsistence tax rates, minimal
 - Community rates, can experiment with different options



The Detail



- **Who is in which category**
- **What is the impact under rate options**



Recommended Approach

(Two Categories)

1. Housing and Homelessness
 - a) (Affordable and Supportive) Housing
 - b) Homelessness (Subsistence)

2. Community Non-Profit (sectors revised)
 - Arts, culture & heritage
 - Child & family services
 - Environment & animal control
 - Health/medical, advocacy & international aid
 - Public Safety
 - Religious
 - Service clubs, fraternities & sororities
 - Sport, recreation & leisure
 - Training, employment & immigration



Rate Options

	Under Current By-Law	Revenue Neutral NP Rates	Option 1: Align with Low Income Program	Option 2: Lower Homelessness & Community NP	Option 3: Even Lower Homelessness & Community NP
Tax Rates, by Category					
Affordable and Supportive Housing	Varies	90 cents	80 cents	80 cents	80 cents
Homelessness	Varies	40 cents, Max \$20k	40 cents, Max \$20k	20 cents, Max \$20k	0 cents, Max/Min \$100
Community Non-Profits	Varies	95 cents, Max \$20k	80 cents, Max \$20k	60 cents, Max \$20k	40 cents, Max \$20k
Program-Level Impacts					
Average Tax Bill	\$8,012	\$8,023	\$7,121	\$6,385	\$5,612
Number of NPs increasing		119	116	103	94
Number of NPs decreasing		88	91	104	113
Average Change per Organization		\$11	-\$891	-\$1,627	-\$2,400
Loss of Tax Revenues (2014-15 Budget is \$3,535,000)	\$3,052,716	\$3,050,459	\$3,237,202	\$3,389,426	\$3,549,602



Details by NP Category

For Example, given Option 3,

Category & Sector-Level Impacts	Housing	Homelessness	Community Non-Profits	Total
Average Tax Bill	\$23,169	\$348	\$2,132	\$5,612
Number of NPs increasing	8	2	84	94
Average Tax Increase	6,756	200	1,297	1,738
Number of NPs decreasing	27	7	79	113
Average Tax Increase	-5,425	-3,475	-6,196	-5,843
Average Change per Organization	-\$2,641	-\$2,658	-\$2,335	-\$2,400
Loss of Tax Revenues	\$521,041	\$162,577	\$2,865,984	\$3,549,602

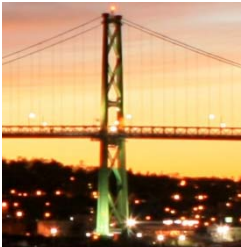


Details by Community NP Sector

Given Option 3,

Category & Sector-Level Impacts	Arts, culture & heritage	Child & family services	Environment & animal control	Health/medical, advocacy & international aid
Average Tax Bill	\$2,552	\$1,503	\$1,298	\$3,279
Number of NPs increasing	14	8	3	3
Number of NPs decreasing	11	6	3	14
Average Change per Organization	-\$161	-\$1,394	-\$479	-\$6,752

Category & Sector-Level Impacts	Public Safety	Religious	Service clubs, fraternities & sororities	Sport, recreation & leisure	Training, employment & immigration
Average Tax Bill	\$566	\$2,088	\$1,226	\$1,955	\$4,747
Number of NPs increasing	1	0	3	50	2
Number of NPs decreasing	1	1	14	25	4
Average Change per Organization	-\$125	-\$4,417	-\$2,224	-\$2,360	-\$3,316



Impacts – NPs Increasing

Given Option 3,

- **58** (of 94 non-profit groups would be) **increasing by less than \$1000**
 - Many increasing from \$0 to \$300 (minimum tax)
- **26 groups increasing by \$1000 to \$5000**
 - Advance notice and transition plan important
- **10 groups increasing by more than \$5000**
 - 5 in Housing, 5 Community NPs
 - Tax mitigation may assist some

Even small changes could be challenging for some groups.



Next Steps

- **Review options**
 - Move some to Recreation Tax
 - Evaluate potential phase-in schedules
 - Involve communications
- **Finalize definition of categories**
- **Discuss role of Grants Committee**
- **Draft Consultation Plan**