



# Non-Profit Tax Relief

Grants Committee

September 8, 2014



# Outline

- **June 9<sup>th</sup> Meeting & Direction**
- **Sample NP Rates & Implications**
  - By three groupings
  - By Community sector
  - By Individual organization
- **Additional Information**
  - For waterfront properties
  - For low-revenue groups
- **Next Steps**



# June 9<sup>th</sup> 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

	<b>Under Current By-Law</b>	<b>Revenue Neutral NP Rates</b>	<b>Option 3: Even Lower Homelessness &amp; Community NP</b>
<b>Tax Rates, by Category</b>			
Affordable & Supportive Housing	Varies	90 cents	80 cents
Homelessness	Varies	40 cents, Max \$20k	Max/Min \$100
Community Non-Profits	Varies	90 cents, Max \$20k	40 cents, Max \$20k
<b>Program-Level Impacts</b>			
<b>Average Tax Bill</b>	<b>\$8,012</b>	<b>\$7,991</b>	<b>\$5,688</b>
Number of NPs increasing		118	94
Number of NPs decreasing		89	113
<b>Avg Change per Organization</b>		<b>-\$21</b>	<b>-\$2,325</b>
<b>Loss of Tax Revenues</b> (2014-15 Budget is \$3,535,000)	<b>\$3,052,716</b>	<b>\$3,057,102</b>	<b>\$3,533,907</b>

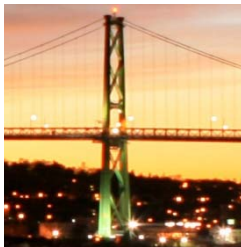




# Details by NP Category

Given Option 3,

Category & Sector-Level Impacts	Housing	Homelessness	Community Non-Profits	Total
<b>Average Tax Bill</b>	<b>\$23,457</b>	<b>\$348</b>	<b>\$2,167</b>	<b>\$5,688</b>
<b>Number of NPs increasing</b>	<b>8</b>	<b>2</b>	<b>84</b>	<b>94</b>
Average Tax Increase	6,756	200	1,319	1,758
<b>Number of NPs decreasing</b>	<b>27</b>	<b>7</b>	<b>79</b>	<b>113</b>
Average Tax Decrease	-5,052	-3,475	-6,148	-5,721
<b>Avg Change per Organization</b>	<b>-\$2,353</b>	<b>-\$2,658</b>	<b>-\$2,300</b>	<b>-\$2,325</b>
<b>Loss of Tax Revenues</b>	<b>\$510,973</b>	<b>\$162,577</b>	<b>\$2,860,357</b>	<b>\$3,533,907</b>



# 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
<b>Average Tax Bill</b>	<b>\$2,552</b>	<b>\$1,708</b>	<b>\$1,328</b>	<b>\$3,279</b>
Number of NPs increasing	14	8	3	3
Number of NPs decreasing	11	6	3	14
<b>Average Change per Organization</b>	<b>-\$161</b>	<b>-\$1,188</b>	<b>-\$450</b>	<b>-\$6,752</b>

Category & Sector-Level Impacts	Public Safety	Religious	Service clubs, fraternities & sororities	Sport, recreation & leisure	Training, employment & immigration
<b>Average Tax Bill</b>	<b>\$566</b>	<b>\$2,088</b>	<b>\$1,226</b>	<b>\$1,990</b>	<b>\$4,747</b>
Number of NPs increasing	1	0	3	50	2
Number of NPs decreasing	1	1	14	25	4
<b>Average Change per Organization</b>	<b>-\$125</b>	<b>-\$4,417</b>	<b>-\$2,224</b>	<b>-\$2,325</b>	<b>-\$3,316</b>





# Impacts – NPs Increasing

## Given Option 3,

- **57** (of 94 groups would be) **increasing by less than \$1000**
  - 37 of the 57 currently pay \$0
- **27 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

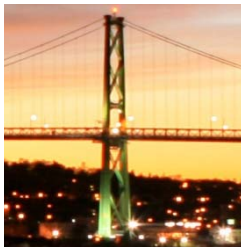
*Even small changes could be challenging for some groups.*



# Details for Waterfront Properties

For Example, given Option 3,

Category & Sector-Level Impacts	canoe-kayak-sailing clubs	other groups on water	other groups not on water	Community Non-Profits
<b>Average Tax Bill</b>	<b>\$2,726</b>	<b>\$2,321</b>	<b>\$2,070</b>	<b>\$2,167</b>
<b>Number of NPs increasing</b>	<b>8</b>	<b>21</b>	<b>55</b>	<b>84</b>
Average Tax Increase	1,722	1,566	1,167	1,319
<b>Number of NPs decreasing</b>	<b>5</b>	<b>8</b>	<b>66</b>	<b>79</b>
Average Tax Decrease	-4,999	-11,261	-5,616	-6,148
<b>Avg Change per Organization</b>	<b>-\$863</b>	<b>-\$1,973</b>	<b>-\$2,533</b>	<b>-\$2,300</b>
<b>Loss of Tax Revenues</b>	<b>\$220,291</b>	<b>\$512,396</b>	<b>\$2,127,670</b>	<b>\$2,860,357</b>



# Details for Low-Revenue Groups

For Example, given Option 3,

<b>Category &amp; Sector-Level Impacts</b>	<b>Revenues under \$10k</b>	<b>Revenues \$10k to \$50k</b>	<b>Other Comm. Non-Profits</b>	<b>Community Non-Profits</b>
<b>Average Tax Bill</b>	<b>\$1,290</b>	<b>\$846</b>	<b>\$2,743</b>	<b>\$2,167</b>
<b>Number of NPs increasing</b>	<b>13</b>	<b>21</b>	<b>50</b>	<b>84</b>
<b>Average Tax Increase</b>	<b>437</b>	<b>524</b>	<b>1,883</b>	<b>1,319</b>
<b>Number of NPs decreasing</b>	<b>2</b>	<b>17</b>	<b>60</b>	<b>79</b>
<b>Average Tax Decrease</b>	<b>-1,605</b>	<b>-2,358</b>	<b>-7,374</b>	<b>-6,148</b>
<b>Avg Change per Organization</b>	<b>\$165</b>	<b>-\$765</b>	<b>-\$3,166</b>	<b>-\$2,300</b>
<b>Loss of Tax Revenues</b>	<b>\$35,808</b>	<b>\$189,498</b>	<b>\$2,635,051</b>	<b>\$2,860,357</b>



# 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**