



# Non-Profit Tax Relief

Grants Committee

November 3, 2014



# Outline

- **Review of Max Taxes**
  - Addition of 2<sup>nd</sup> Max Tax of \$2,500 for smaller Community NPs
- **Comparison to Option 3**



- **Option 3b**

- Limit tax of small to medium-sized **Community Non-Profit** properties to that of a single-family home
  - Up to total assessment of \$2.5 million
  - Max Tax of approx. \$2,500 per property
  - Could be indexed (annually)
- Do not apply any Max Tax to **Housing** properties, e.g. 60-unit apartment
  - No maximum for Low-Income Homeowner program



# Rate Options

	<b>Under Current By-Law</b>	<b>Option 3: Even Lower Homelessness &amp; Community NP</b>	<b>Option 3b: Even Lower Homelessness &amp; Community NP</b>
<b>Tax Rates, by Category</b>			
Affordable & Supportive Housing	Varies	80 cents	80 cents
Homelessness	Varies	Max/Min \$100	Max/Min \$100
Community Non-Profits	Varies	40 cents, Max \$20k	40 cents, <b>Max \$2.5k &amp; \$20k</b>
<b>Program-Level Impacts</b>			
<b>Average Tax Bill</b>	<b>\$8,012</b>	<b>\$5,753</b>	<b>\$5,518</b>
Number of NPs increasing		92	90
Number of NPs decreasing		113	115
<b>Avg Change per Organization</b>		<b>-\$2,281</b>	<b>-\$2,519</b>
<b>Loss of Tax Revenues</b> (2014-15 Budget is \$3,535,000)	<b>\$3,052,716</b>	<b>\$3,520,264</b>	<b>\$3,569,083</b>





# Details by NP Category, Option 3

**Given Option 3,**

<b>Category &amp; Sector-Level Impacts</b>	<b>Housing</b>	<b>Homelessness</b>	<b>Community Non-Profits</b>	<b>Total</b>
<b>Average Tax Bill</b>	<b>\$25,402</b>	<b>\$145</b>	<b>\$2,181</b>	<b>\$5,810</b>
<b>Number of NPs increasing</b>	<b>8</b>	<b>3</b>	<b>81</b>	<b>92</b>
<b>Average Tax Increase</b>	<b>6,822</b>	<b>167</b>	<b>1,357</b>	<b>1,794</b>
<b>Number of NPs decreasing</b>	<b>25</b>	<b>8</b>	<b>80</b>	<b>113</b>
<b>Average Tax Decrease</b>	<b>-4,787</b>	<b>-3,245</b>	<b>-6,087</b>	<b>-5,598</b>
<b>Avg Change per Organization</b>	<b>-\$1,973</b>	<b>-\$2,314</b>	<b>-\$2,342</b>	<b>-\$2,281</b>
<b>Loss of Tax Revenues</b>	<b>\$493,706</b>	<b>\$164,108</b>	<b>\$2,862,451</b>	<b>\$3,520,264</b>



# Details by NP Category, Option 3b

**Given Option 3b,**

<b>Category &amp; Sector-Level Impacts</b>	<b>Housing</b>	<b>Homelessness</b>	<b>Community Non-Profits</b>	<b>Total</b>
<b>Average Tax Bill</b>	<b>\$26,499</b>	<b>\$145</b>	<b>\$1,653</b>	<b>\$5,571</b>
<b>Number of NPs increasing</b>	<b>8</b>	<b>3</b>	<b>79</b>	<b>90</b>
<b>Average Tax Increase</b>	<b>6,822</b>	<b>167</b>	<b>1,077</b>	<b>1,557</b>
<b>Number of NPs decreasing</b>	<b>25</b>	<b>8</b>	<b>82</b>	<b>115</b>
<b>Average Tax Decrease</b>	<b>-3,338</b>	<b>-3,245</b>	<b>-6,672</b>	<b>-5,709</b>
<b>Avg Change per Organization</b>	<b>-\$875</b>	<b>-\$2,314</b>	<b>-\$2,870</b>	<b>-\$2,519</b>
<b>Loss of Tax Revenues</b>	<b>\$457,494</b>	<b>\$164,108</b>	<b>\$2,947,481</b>	<b>\$3,569,083</b>



# Details: Community NPs, by Sector

## Option 3

**Given Option 3,**

### Category & Sector-Level Impacts

	<b>Average New Tax Bill</b>	<b># of NPs Increasing</b>	<b># of NPs Decreasing</b>	<b>Average Change per Organization</b>
Arts, culture & heritage (incl. religious)	\$2,739	13	11	-\$358
Child & family services	\$1,708	8	6	-\$1,188
Environment & animal control	\$1,328	3	3	-\$450
Health/medical, advocacy & international aid	\$3,090	3	15	-\$6,384
Public Safety	\$566	1	1	-\$125
Service clubs, fraternities & sororities	\$1,246	3	14	-\$2,203
Sport, recreation & leisure	\$2,036	48	25	-\$2,397
Training, employment & immigration	\$3,848	2	5	-\$3,063



# Details: Community NPs, by Sector, Option 3b

**Given Option 3b,**

## Category & Sector-Level Impacts

	<b>Average New Tax Bill</b>	<b># of NPs Increasing</b>	<b># of NPs Decreasing</b>	<b>Average Change per Organization</b>
Arts, culture & heritage (incl. religious)	\$2,286	13	11	-\$811
Child & family services	\$1,392	8	6	-\$1,504
Environment & animal control	\$1,328	3	3	-\$450
Health/medical, advocacy & international aid	\$2,003	2	16	-\$7,471
Public Safety	\$566	1	1	-\$125
Service clubs, fraternities & sororities	\$1,115	3	14	-\$2,334
Sport, recreation & leisure	\$1,564	48	25	-\$2,869
Training, employment & immigration	\$1,915	1	6	-\$4,996





# Details: Community NPs, by Sector, Impact of new Max Tax at \$2,500

## Category & Sector-Level Impacts

	<b>Avg New Tax Bill, Option 3</b>	<b>Avg New Tax Bill, Option 3b</b>	<b>Avg Impact of new Max Tax per Org.</b>
Arts, culture & heritage (incl. religious)	\$2,739	\$2,286	-\$453
Child & family services	\$1,708	\$1,392	-\$316
Environment & animal control	\$1,328	\$1,328	\$0
Health/medical, advocacy & international aid	\$3,090	\$2,003	-\$1,087
Public Safety	\$566	\$566	\$0
Service clubs, fraternities & sororities	\$1,246	\$1,115	-\$131
Sport, recreation & leisure	\$2,036	\$1,564	-\$472
Training, employment & immigration	\$3,848	\$1,915	-\$1,933



# Details: Individual Properties (part 1)

## Impact of new Max Tax at \$2,500

Category	Taxable Assessment	Current Taxes (before exemption)	Current Taxes (after exemption)	Taxes under Option 3	Taxes under Option 3b
Sport, recreation & leisure	\$643,200	\$22,609	\$7,912	\$2,573	\$2,500
Training, employment & immigration	\$654,900	\$23,334	\$2,011	\$2,620	\$2,500
Health/medical, advocacy & international aid	\$663,300	\$6,849	\$3,752	\$2,653	\$2,500
Sport, recreation & leisure	\$671,100	\$20,082	\$8,956	\$2,684	\$2,500
Health/medical, advocacy & international aid	\$682,100	\$24,303	\$4,188	\$2,728	\$2,500
Service clubs, fraternities & sororities	\$683,600	\$24,357	\$8,395	\$2,734	\$2,500
Health/medical, advocacy & international aid	\$701,540	\$35,708	\$19,325	\$2,806	\$2,500
Health/medical, advocacy & international aid	\$716,500	\$8,799	\$6,599	\$2,866	\$2,500
Sport, recreation & leisure	\$768,400	\$27,378	\$0	\$3,074	\$2,500
Sport, recreation & leisure	\$770,300	\$27,584	\$9,598	\$3,081	\$2,500
Child & family services	\$794,000	\$28,290	\$9,750	\$3,176	\$2,500
Service clubs, fraternities & sororities	\$829,600	\$29,559	\$10,187	\$3,318	\$2,500
Service clubs, fraternities & sororities	\$918,100	\$32,712	\$11,274	\$3,672	\$2,500
Training, employment & immigration	\$941,000	\$33,528	\$11,555	\$3,764	\$2,500
Sport, recreation & leisure	\$955,100	\$29,942	\$10,210	\$3,820	\$2,500
Health/medical, advocacy & international aid	\$982,500	\$12,065	\$3,016	\$3,930	\$2,500
Sport, recreation & leisure	\$985,100	\$34,360	\$0	\$3,940	\$2,500



# Details: Individual Properties (part 2)

## Impact of new Max Tax at \$2,500

Category	Taxable Assessment	Current Taxes (before exemption)	Current Taxes (after exemption)	Taxes under Option 3	Taxes under Option 3b
Sport, recreation & leisure	\$1,059,800	\$37,761	\$13,014	\$4,239	\$2,500
Sport, recreation & leisure	\$1,071,300	\$38,170	\$0	\$4,285	\$2,500
Sport, recreation & leisure	\$1,188,200	\$42,336	\$14,591	\$4,753	\$2,500
Sport, recreation & leisure	\$1,195,400	\$35,120	\$14,680	\$4,782	\$2,500
Sport, recreation & leisure	\$1,248,200	\$43,653	\$15,132	\$4,993	\$2,500
Arts, culture & heritage	\$1,433,900	\$44,809	\$0	\$5,736	\$2,500
Health/medical, advocacy & international aid	\$1,538,400	\$56,039	\$19,569	\$6,154	\$2,500
Sport, recreation & leisure	\$1,540,600	\$3,724	\$1,277	\$6,162	\$2,500
Child & family services	\$1,560,900	\$55,615	\$9,584	\$6,244	\$2,500
Arts, culture & heritage	\$1,574,500	\$58,461	\$21,697	\$6,298	\$2,500
Sport, recreation & leisure	\$1,575,000	\$56,275	\$0	\$6,300	\$2,500
Arts, culture & heritage	\$1,581,200	\$56,338	\$0	\$6,325	\$2,500
Training, employment & immigration	\$1,786,700	\$63,660	\$5,485	\$7,147	\$2,500
Sport, recreation & leisure	\$1,812,717	\$141,058	\$98,731	\$7,251	\$2,500
Health/medical, advocacy & international aid	\$2,105,390	\$107,164	\$58,003	\$8,422	\$2,500
Training, employment & immigration	\$2,591,400	\$92,332	\$15,911	\$10,366	\$2,866
Health/medical, advocacy & international aid	\$3,100,600	\$59,796	\$32,364	\$12,402	\$4,902
Sport, recreation & leisure	\$3,131,000	\$93,187	\$2,330	\$12,524	\$5,024



# Impacts – NPs Increasing

**Given Option 3,  
Increasing by less than \$1000**

- **55 (of 92) organizations**
- 35 of the 55 currently pay \$0

**Increasing \$1000 to \$2500**

- **24 organizations**

**Increasing by \$2500 or more**

- **5 Housing organizations**
- **8 in the Community NP category**

**Given Option 3b,  
Increasing by less than \$1000**

- **54 (of 90) groups**
- 35 of the 54 currently pay \$0

**Increasing \$1000 to \$2500**

- **29 organizations**

**Increasing by \$2500 or more**

- **5 Housing organizations**
- **2 in the Community NP category**



# Discussion & Next Steps

- **Options**
- **Phase-In / Transition**
- **Consultation**