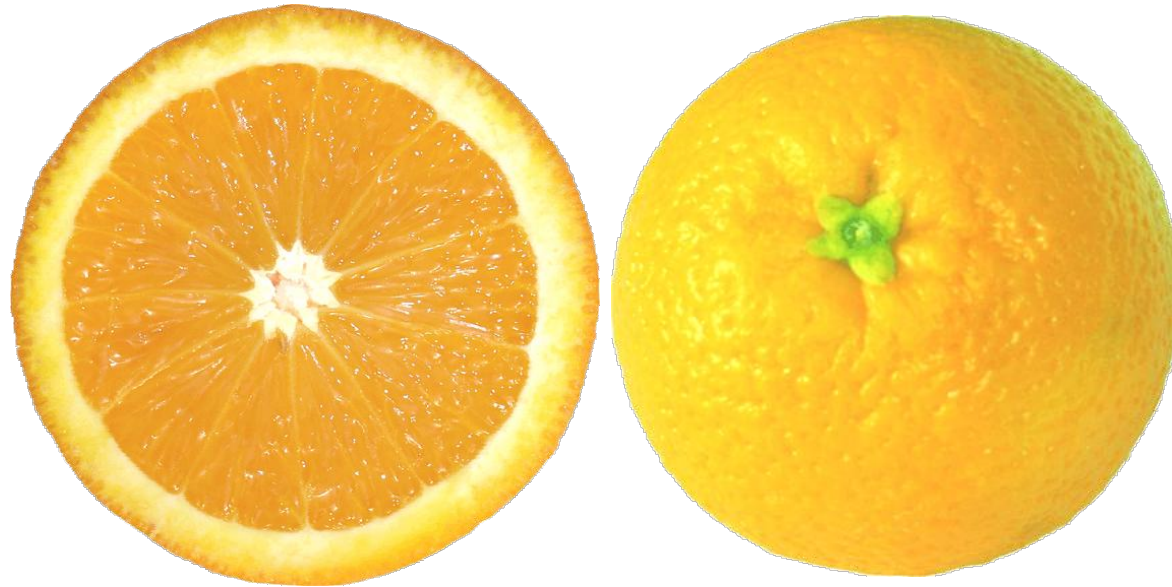


The Draft Tax Model as designed by the Tax Reform Committee



Regional Council Workshop on the “Best Tax System”

Halifax Regional Municipality - November 16, 2009

Context

- Designed Foundations and Principles
- Applied Principles and Foundations
 - Reviewed other jurisdictions, wide range of taxes and rebates
 - Started with four “Packages”
 - A - Cost Drivers/User Pay
 - B - Community Sharing
 - B¹ - Community Sharing (income tax)
 - C - Modified Status Quo



The Draft Tax Model

Three Key Questions

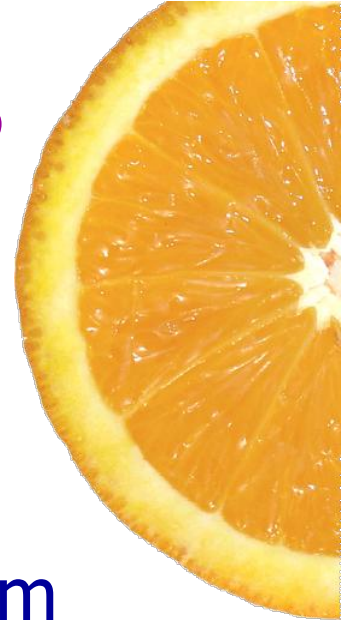
To build its model the TRC looked at

- **What** is the service? (Nine Services)
- **Who** pays? (Individuals, Community, Region)
- **How** do they pay? (Dwelling Unit/Property, Assessment)

What * Who * How

“Who” Pays for Which Service? It Depends on Who Benefits

- Should it be based on
 - **B**enefit- those who benefit directly from the service
 - **A**ccess- those who have access to the service
 - **R**ecieve- those who receive the service
 - **C**ause- those who cause the need for the service



Nine Municipal Services, Nine Municipal Tax Rates

Receive

**Access, Cause and/or
Benefit**

Benefit

Individuals

Communities

Region

Individual Charges:

- 1 Hydrants
- 2 Solid Waste
- 3 Local Roads

Common Tax Rates:

- 4 Local Recreation
- 5 Local Sidewalks
- 6 Local Transit

Zone Tax Rates:

- 7 Regional Roads (4 Zones)
- 8 Regional Transit (4 Zones)

9 Regional Tax Rate:

- Police
- Fire
- Libraries
- Multi-District Facilities
- Sports and Event Facilities
- Recreation Programs
- Support Services
- Other

Note: Provincial Property Tax remains unchanged.

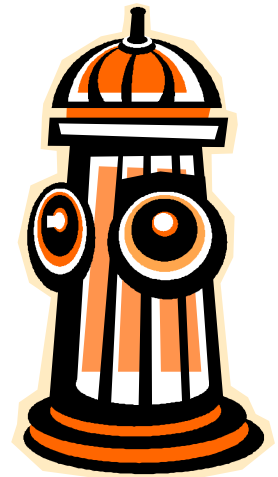
Hydrants

- **Current Taxation:**

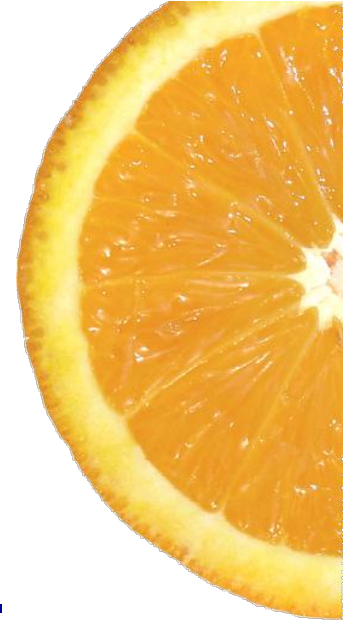
- Area Rate on assessment
- all properties within 1,200 feet of a hydrant

- **Proposed Change:**

- Area Rate of \$116 per property
- All properties within 1,200 feet of a hydrant



Local Transit

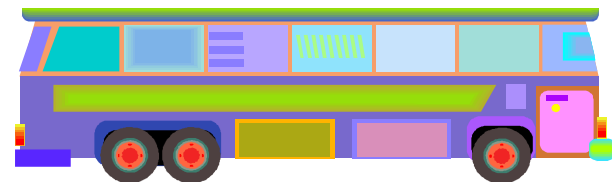


- **Current Taxation:**

- Area Rate on assessment
- All properties within 1km of local transit service.
- Covers 75% of local transit costs

- **Proposed Taxation:**

- Area rate of \$140 per home
- Any home within 1km of local transit service
- Covers 100% of local transit costs.



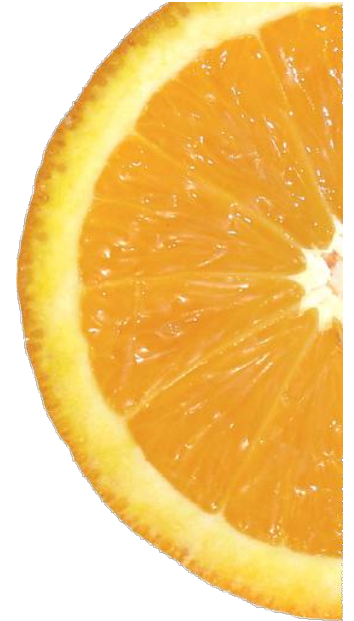
Regional Transit

- **Current Taxation:**

- Area Rate on assessment
- All properties (except Resource area)
- Covers 25% of local transit costs

- **Proposed Taxation:**

- Area Rate on homes. Lower rate for multi-unit buildings.
- Four Rates (\$17 to \$57) based on number of commuter trips (uses Regional Plan boundaries).



Local Sidewalks

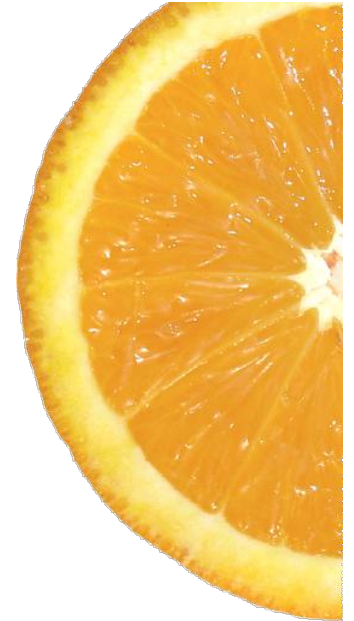
- **Current Taxation:**

- Included in Urban General Tax rate.

- **Proposed Taxation:**

- Area Rate of \$48 per Home. Reduced rate for multi-unit buildings.

- Excludes sidewalks on arterial roads.



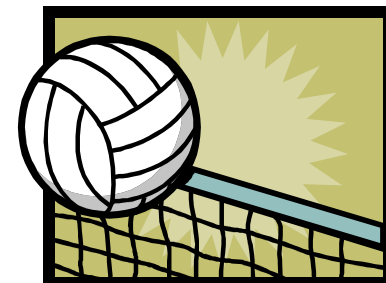
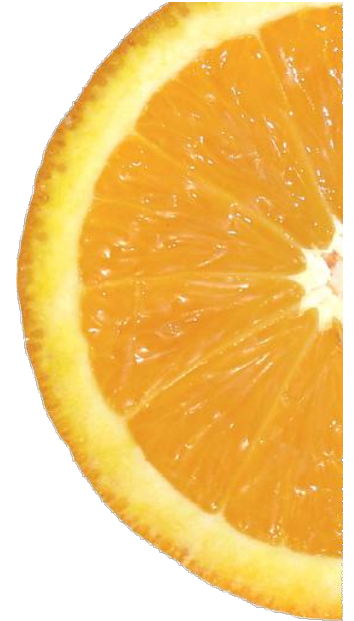
Local Recreation Facilities

- **Current Taxation:**

- Included in Urban and Suburban General Tax rates, and ten local area rates.

- **Proposed Change:**

- Area Rate of \$36 per Home. Reduced rate for multi-unit buildings.
- Paid by homes within 7.5km of a facility.
- Covers local facilities but not Multi-District Facilities.



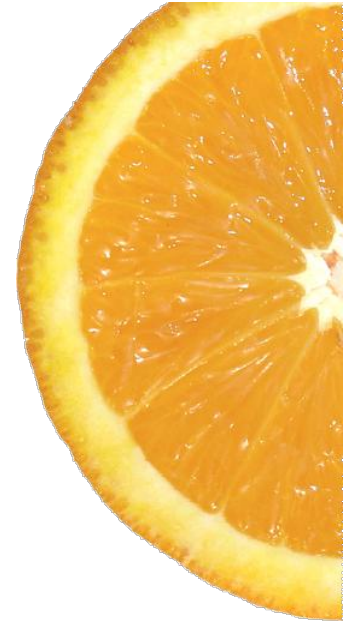
Solid Waste

- **Current Taxation:**

- Included in General Tax rate.

- **Proposed Change:**

- Area rate of \$256 for those receiving pick-up (Homes, Condos and some Rural Business).
- Excludes those without pick-up (Larger Apartments, vacant land, most businesses)



Local Roads

- **Current Taxation:**

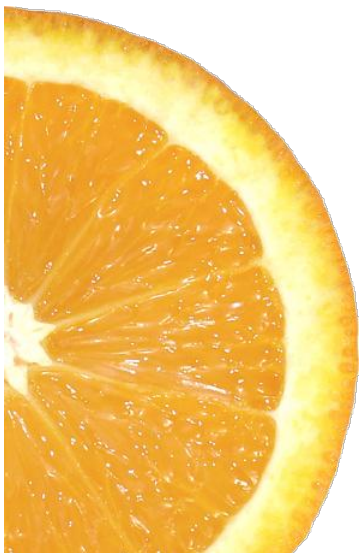
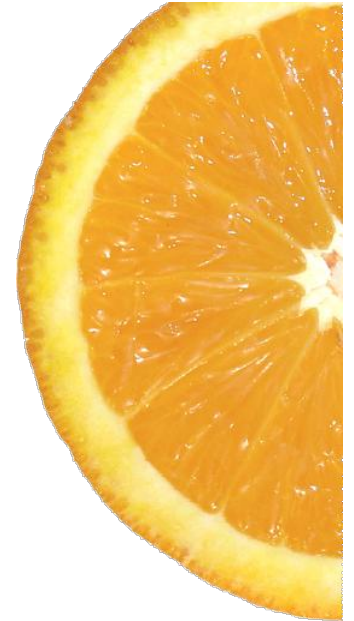
- Included in General Tax rate.

- **Proposed Change:**

- One Area Rate of \$176 per property

- All properties next to a road.

- Reduced rate for those on private and provincial roads.



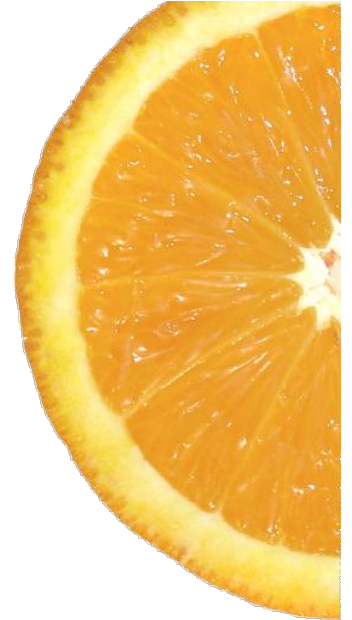
Regional Roads

- **Current Taxation:**

- Included in General Tax rate.

- **Proposed Taxation:**

- Area Rate on homes. Lower rate for multi-unit buildings.
- Four Rates (\$30 to \$81) based on number of commuter trips (uses Regional Plan boundaries).
- Covers arterial roads and their sidewalks, lights, etc



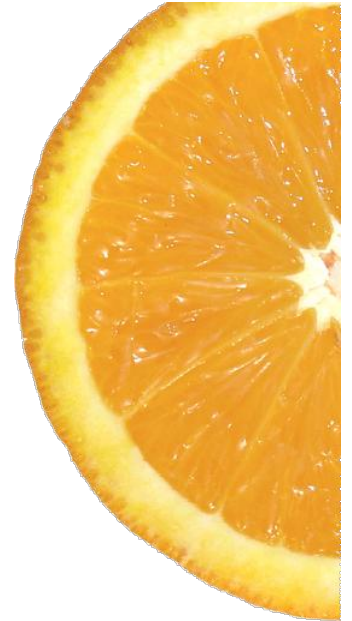
Regional Services

- **Current Taxation:**

- Included in General Tax rate.

- **Proposed Taxation:**

- Regional Tax Rate (\$474) on all homes. Lower rate for multi-unit buildings.
- Includes Police, Fire, Libraries, larger recreation facilities and programming, support services.

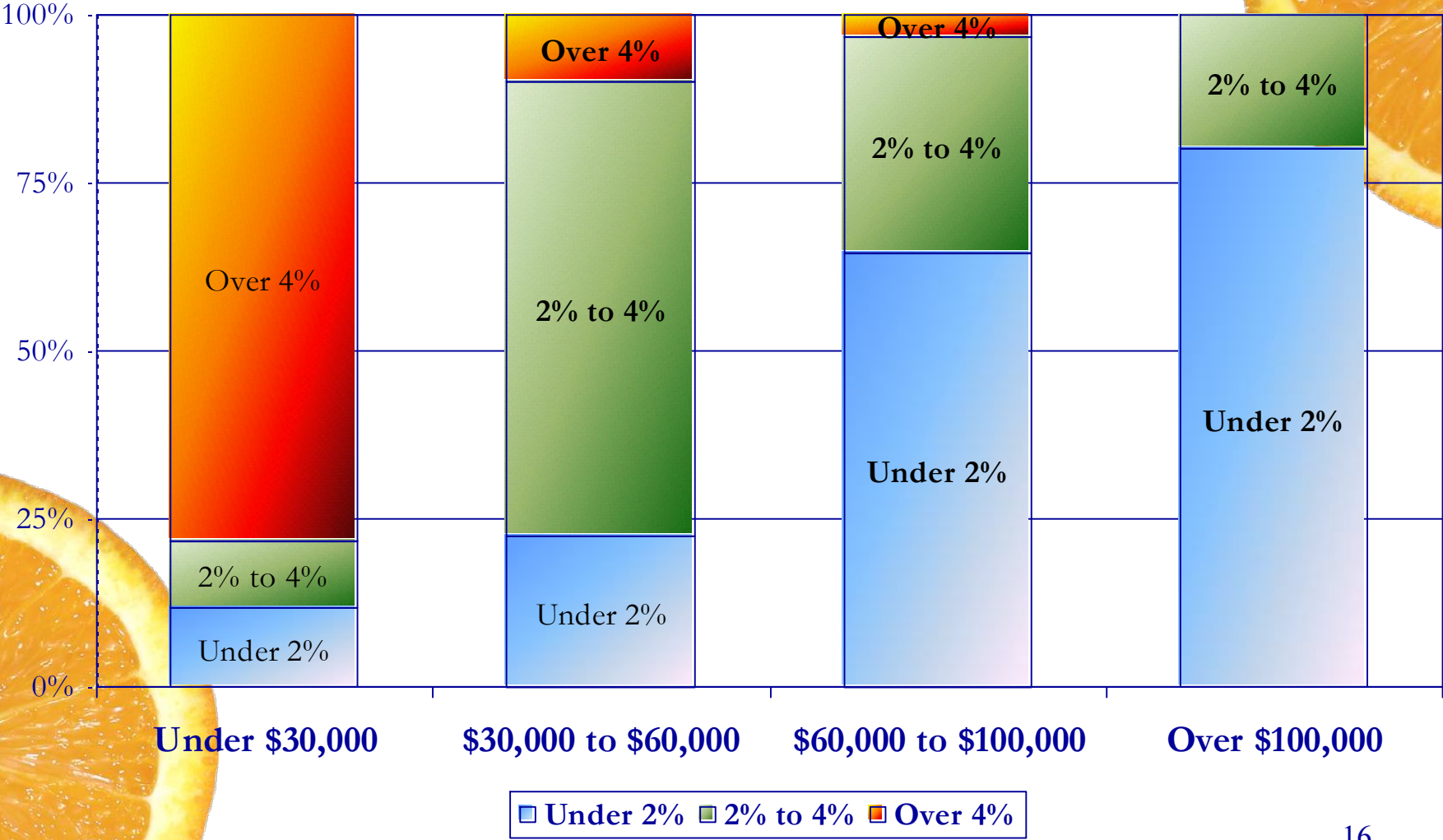
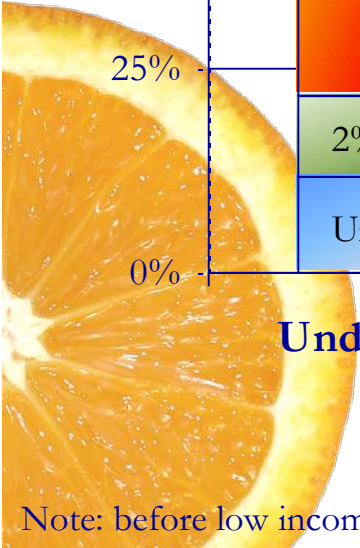


Ability to Pay

- Increased Low Income Rebate
 - \$1,000 to \$1,300
 - Phases to zero at \$33,700 to \$36,600
- Lower Tax Rate for low income apartments (Revised in June 09)
- Higher Income:
 - Originally suggested surtax on high incomes
 - Surtax on high value properties (Revised June 09)

Tax Currently Paid as a Percent of Income

Estimated Total Property Tax, 2000



Note: before low income rebate.