

## **HRM, the Province, and Property Taxes**

### **What does the provincial government have to do with municipal taxes?**

- Municipalities in Nova Scotia must adhere to the Municipal Government Act (MGA), which is a provincial law. The MGA and other laws stipulate how municipal governments collect taxes
  - The Province assigns assessed values to all properties in Nova Scotia
  - The Halifax Regional Municipality, and other local governments then set their tax rates based on these assessed values
  - Lastly, the provincial government also receives a portion of the property taxes collected by HRM

### **How much of my property taxes go to the provincial government, and what does it pay for?**

- A typical property tax bill in 2006 was \$1,789.00
- Over 25% of general tax revenue in HRM goes to the Province to fund provincial services such as education, correctional services, assessment services and public housing
- In 2007-2008, these funds will be recovered by HRM through a special area rate to increase the transparency around provincial property taxation

### **Doesn't the province also provide money to HRM?**

- HRM receives 1.5% of total revenue from the provincial and federal governments, less than most major Canadian cities

### **How does this relate to Tax Reform?**

- While Tax Reform does not directly address the fiscal imbalance between the provincial and municipal governments, the Union of Nova Scotia Municipalities have completed a report that addresses these concerns titled: "A Question of Balance: An Assessment of the State of Local Government in Nova Scotia"

### **What role does the province play in Tax Reform?**

- Recommendations from the Tax Reform project may require Provincial legislative changes
- HRM is talking with the provincial government about strengthening the municipal tax system, and ensuring that municipalities have the proper administrative tools

### **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)