

The Tax Reform Committee presents proposed
Mission, Principles and Objectives
for the
HRM Municipal Tax System

Mission Statement

"Foundation of the Tax System"

To provide an equitable tax system based on a charge for services provided and ability to pay by:

Linking taxes and fees for services to those who derive the greatest benefit at the individual, community and regional levels, and,

Considering the ability to pay.

Values

As a central and key element of municipal government, HRM strives to ensure that the tax and fee system

Encourages the economic well-being of all its taxpayers and citizens,

Recognizes that the funds raised through taxes and fees belong to the citizens of HRM and are held in trust,

Encourages fiscal prudence and an acceptable level of tax and fee burden for services, and

Recognizes that municipal services may benefit everyone and that to the extent all benefit, all should share in the cost of the service.

Principles

To achieve and sustain the Mission Statement and Values, HRM follows seven core principles. The most important of these is **Equity**, which is supplemented by the principles of **Economic Competitiveness, Economic Efficiency, Respect for other Governments, Stability, Simplicity, and Transparency and Accountability.**

Equity

Similarly situated taxpayers should be taxed similarly.

Objectives:

- 1 All taxpayers should be taxed according to their municipal services.
- 2 The tax and fee system should be designed to be non-regressive.
- 3 The tax and fee system should apply consistently to all taxpayers and citizens.
- 4 The Tax and Fee system should have no unintended systematic bias towards any group of individuals, firms or local communities.
- 5 The tax and fee system should not provide an unintended advantage for any business relative to its local competitors.

Economic Competitiveness

The Municipal Tax System should be designed to maximize the economic potential of the Region and Province.

Objectives:

- 6 To encourage investment and business activity within Halifax Regional Municipality and within Nova Scotia.
- 7 To encourage the long-term growth of the municipality including a focus on immigration, youth and diversity.
- 8 To encourage responsible home ownership.
- 9 To encourage efficient growth patterns and to support the Regional Plan.
- 10 To support the Region's business climate including international competitiveness.
- 11 To allow for environmental sustainability.
- 12 To ensure that residential, commercial and other taxpayers pay an appropriate share of the tax burden.

Economic Efficiency

The Municipal Tax System should be designed to encourage healthy behaviours by citizens and taxpayers.

Objectives:

- 13 To limit the unintended effects on people's behaviours due to taxation.
- 14 To focus on as broad a tax base as possible.

Respect for other Governments

Recognize the links to the Federal and Provincial Governments and other Municipalities.

Objectives:

- 15 Where HRM and another government share tax room, there shall be consulting over the use of the tax room, and mutual respect for each other and the taxpayers involved .
- 16 HRM will administer its tax system according to the Laws of the Province of Nova Scotia and, where appropriate, seek changes to those laws.
- 17 The HRM Tax System should function well along-side the tax systems of other Nova Scotian municipalities.

Stability

The Tax and Fee System should be designed to discourage unintended, sudden and dramatic changes in municipal taxes.

Objectives:

- 18 Individuals should be able to reasonably predict future taxes, based upon their understanding of their circumstances and the services available.
- 19 Individual tax bills should not experience sudden and dramatic change other than to reflect service changes and/or changes in ability to pay.
- 20 The Tax and Fee system should be designed to discourage unintended sudden and dramatic changes in municipal revenues.

Simplicity

The Tax and Fee system should be as simple as possible to minimize compliance costs and be easily understood.

Objectives:

- 21 The system should be designed to limit the overall complexity of the system.
- 22 Features of a municipal tax system should be limited to those that make a clear and dramatic improvement for a large number of citizens.
- 23 The number of methods of taxation or fees to pay for any one service should be minimized.
- 24 The administrative costs of the municipal tax system should be minimized.

Transparency and Accountability

It should be clear how and when taxes and fees are imposed and approved.

Objectives:

- 25 Taxes and fees should be based on objective and factual information, and not subject to opinion or estimation.
- 26 The Tax Bill for individuals should be calculated in a manner that is reliable and verifiable.
- 27 The tax system and its components should be clearly documented and available to the public.
- 28 The tax system should not have any unintended biases towards lowering or increasing taxes or expenditures.
- 29 The tax burden needs to be reviewed and set on a regular basis.

Evaluation Criteria

The 29 objectives, above, will be the criteria used to evaluate a proposed new municipal taxation system for HRM.