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NOTICE OF MOTION
TORONTO CITY COUNCIL
APRIL 25 – 27, 2006

April 5, 2006

Re: Provincial Education Tax Collected With Toronto's Property Tax

Moved by: Councillor Michael Walker

Co-Seconded by: Councillor Cliff Jenkins & Councillor Karen Stintz

WHEREAS the City of Toronto collects education taxes on behalf of the provincial government; and

WHEREAS Toronto residents are paying a disproportionate share of provincial education taxes, because the calculation is based on property assessment and Toronto has high average home prices; and

WHEREAS Toronto's businesses are paying a disproportionate share of provincial education taxes (relative to the 905 area) because provincially-set tax rates are higher in Toronto; and

WHEREAS Toronto's businesses would pay less in property tax if the provincial government eliminated the education tax-rate penalty relative to the 905 area, thereby eliminating a disincentive for businesses to locate in Toronto; and

WHEREAS a reduced education tax rate on businesses in Toronto would eliminate any need for shifts in the tax burden from the commercial onto residential properties, such as 2005's City Council adoption of "Enhancing Toronto's Business Climate: It's Everybody's Business"; and

WHEREAS school trustees no longer have authority to set tax rates;

NOW THEREFORE BE IT RESOLVED THAT Toronto City Council petition the provincial government for changes to the new *City of Toronto Act*, so that the City no is no longer required to act as education tax collector for the Province; and

BE IT FURTHER RESOLVED THAT the provincial government be requested to alter the method of apportioning education taxes among municipalities, so as to eliminate excess tax burdens on Toronto residents and businesses.