

THE TORONTO PARTY

FOR A BETTER CITY

THIS IS THE OFFICIAL NEWSLETTER OF THE TORONTO PARTY FOR A BETTER CITY. THE TORONTO PARTY WAS CREATED IN OCTOBER 2006 AND IS CURRENTLY TORONTO'S ONLY CIVIC ELECTORAL ORGANIZATION.

EYE ON COUNCIL

SUMMER 2015 ISSUE

CITY PROJECTS SURPLUS

IS IT TIME TO REDUCE THE MUNICIPAL LAND TRANSFER TAX?

According to recent media reports, the City of Toronto has a projected \$65 million budget surplus. This is, of course, good news.

However, significant surpluses demonstrate that revenue is outstripping expenses and that perhaps city user fees or taxes are too high.



More inside!



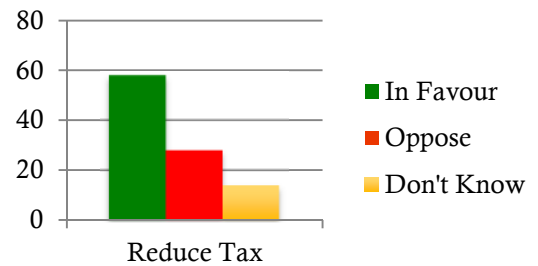
Tax harms economy

As Canada slips into a potential recession, it is once again appropriate to reconsider the value of Toronto's municipal land transfer tax.

Although this tax has permitted the City to contain property tax increases and arguably limit increases to user fees, the tax has been shown to have devastating harmful effects to local economies.

In 2014, the Ontario Real Estate Association ("OREA") commissioned a study of the impacts the implementation of such a tax would have on Mississauga, Hamilton, Ottawa, London and Thunder Bay. The study showed that in those communities economic activity would be cut by nearly \$1 billion over 5 years.

As well, the study demonstrated that tens of thousands of home sales would be lost and, more importantly, that thousands of jobs in the construction and renovation industries would be lost.



Polling Data

Last year, an Ipsos-Reid poll of Torontonians showed that a large majority either strongly or somewhat favoured a reduction in the municipal land transfer tax.

The poll also showed that more than half of respondents would vote for a candidate who favoured reducing the tax, while only 10 percent would not vote for such a candidate. 39 percent of voters said that a candidate's position on the tax would not impact their vote.

The sample size of this poll was 526 residents. The margin of error is +/- 4.9%, 19 times out of 20.

About the Toronto Party



The Toronto Party was created in October 2006 and was later incorporated under Ontario's Corporations Act as a corporation without share capital or not-for-profit entity.

The primary mandate of the Toronto Party has been to achieve the formal recognition of municipal political parties in Ontario and to have party affiliation included on municipal election ballots.

cont.

The Toronto Party has recently met with Robert McDermott of the Toronto Land Transfer Tax Coalition.

We congratulate the efforts of the TLTTTC and look forward to working with them in the future.

While balancing a city's budget is very important, as then mayoral candidate John Tory said in the 2014 election campaign, ensuring that people have jobs and are able to contribute to the economy is also very important.

We believe in job creation, particular when a government is running surpluses. Thus it is time for City Council to slash this tax.

LAND TRANSFER TAX REVENUE

Below is the annual revenue generated for the City of Toronto by Toronto's land transfer tax. This data appeared in an article written by Royson James, The Toronto Star, on August 28, 2015.

2010 \$279 Million

2012 \$350 Million

2014 \$450 Million

**2015 \$487 Million
(projected)**

Land Transfer Tax

One tax that may be too high is Toronto's municipal land transfer tax. This additional tax, unique to Toronto, generates hundreds of millions of dollars annually for the City of Toronto. However, it is a tax that is only paid by a relatively few.

Introduced under the regime of former Mayor David Miller, Toronto's municipal land transfer tax has received much scrutiny. While some argue that it has provided the City with a stable source of revenue, others have questioned its value. In the 2014 election, the Toronto Land Transfer Tax Coalition fought against it, endorsing 32 candidates. In our view, It is time to reduce the tax.

Hamilton rejects municipal land transfer tax



Despite Toronto's eagerness to retain the municipal land transfer tax, the City of Hamilton recently rejected a motion to study its implementation in that jurisdiction.

The motion was proposed by Ward 1 Councillor Aidan Johnson at the City's audit, finance and administration committee.



The motion was defeated, 5-1.

PROJECTED NEGATIVE IMPACTS OF MUNICIPAL LAND TRANSFER TAX IMPACT ON HOME RESALES OVER 5 YEARS

Mississauga – loss of 8,093 resales

Hamilton – loss of 5,741 resales

Ottawa – loss of 9,118 resales

London – loss of 4,540 resales

Thunder Bay – loss of 1,005 resales

IMPACT ON EMPLOYMENT OVER 5 YEARS

Mississauga – loss of 3,157 jobs

Hamilton – loss of 2,240 jobs

Ottawa – loss of 3,556 jobs

London – loss of 1,117 jobs

Thunder Bay – loss of 392 jobs

The foregoing figures are from a 2014 study commissioned by OREA.



Membership in The Toronto Party is free.

Please sign up at:

www.thetorontoparty.com

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