



Brace for 2-4% tax hike, Mayor says

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TARA WALTON/TORONTO STAR

Toronto Mayor David Miller predicted a property tax increase in line with inflation on Oct. 7, 2008

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John Spears

CITY HALL BUREAU

Toronto property taxes are likely to increase by between 2 and 4 per cent next year, Mayor David Miller says.

"Yes, there could be a tax increase," but it should remain in line with inflation, the Mayor said today.

"I've asked, if (city staff) recommend one, that it be in line with inflation, which so far this year has been 3.6 (per cent) I think – so in the range of 2 to 4 per cent."

The city's 2009 budget is in its early stages of preparation.

Miller said that the federal and provincial governments' tax revenues tend to rise automatically with inflation so they don't have to boost their tax rates, but the city has to increase its tax rates just to keep even with inflation.

Miller also said he's concerned about the economic turmoil currently unfolding.

"Toronto's the financial services centre of Canada," he said. "We're not immune and I'm concerned."

Miller has sent a letter to city staff directing them to keep operating spending in 2009 in line with this year's spending. Since municipal wages are likely to rise this year, he's asked city departments and agencies to scale back spending by 2 per cent to absorb the increases.