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City of Toronto 2003 budget information**Why are Toronto homeowners carrying the full burden of any tax increase?**

The City of Toronto's 2003 recommended budget includes a potential 3% property tax increase. This is a result of some extraordinary pressures affecting the 2003 operating budget. Examples include transit operating costs, the closing of the Keele Valley landfill site and salary settlements and arbitration awards above 3% for the City's three emergency services.

In most Ontario municipalities, property tax increases are spread across the total tax base. Homeowners and businesses (commercial/industrial) pay equal shares of any tax increase. However, in Toronto only homeowners carry the full burden of any tax increase.

This results from provincial legislation (Bill 140) that decreed taxes could not be increased on two-thirds of the City's tax base, representing commercial, industrial and multi-residential classes as rates were deemed to be too high.

The 2003 recommended property tax increase would be reduced to 1.1%, less than the rate of inflation, if the City had the ability to spread tax increases across the total tax base.

As the City has access to only one-third of the tax base, the impact of any proposed increase is tripled.