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Education Tax Rate Impact on Toronto Residents

Toronto's homeowners are paying a larger share of the provincial education taxes, but do not receive any extra education funding dollars for local schools.

Since 1998, the Province, through the Ministry of Education, has taken over responsibility for funding and administering the education system, and to ensure equality in access and in the quality of education.

The Education Act and Municipal Act require every municipality in each year to levy and collect property taxes for education (school board) purposes, using tax rates prescribed by the Minister of Finance. For the residential and multi-residential tax classes, education taxes are determined annually by a single province-wide tax rate that applies to all municipalities.

With each Current Value Assessment (CVA) reassessment, the province recalculates (reduces) the uniform residential education tax rate to reflect the increase in value of residential properties province-wide.

Province-wide, in 2004 the CVA values have appreciated for the residential class by 13.8% and the multi-residential class by 11.5%. In Toronto, however, the residential CVA increase was 14.4% and the multi-residential CVA increase was 16.9%. Because Toronto's residential properties have again increased in value at a rate greater than properties in the rest of the province, Toronto's homeowners will pick up an increasing share of the education tax burden (\$7.2 million for the residential property class, and \$2.5 million for the multi-residential property class). This means a property tax increase of \$12 for the average residential household in Toronto but the final impact won't be known until March 2004.

	Toronto 'revenue neutral' <u>education tax rate</u>	Provincially prescribed <u>education tax rate</u>	Total Annual impact (<u>res. + multi-res</u>)	Impact on Average <u>household</u>
2001 Reassessment ('99 base)	0.345%	0.373%	\$ 54.5 million	\$ 72 / household
2003 Reassessment ('01 base)	0.325%	0.335%	\$ 18.7 million	\$ 29 / household
2004 Reassessment ('03 base)	0.292% (Preliminary est.)	0.2965% (Preliminary est.)	\$ 9.7 million (Preliminary est.)	\$12 / household
<i>Cumulative Impact</i>			\$ 82.9 million	\$ 113 / household