City of Toronto 2004 budget information

Toronto homeowners carry the full burden of any tax increase

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.

If the City of Toronto implemented a "rate of inflation" property tax increase of 3% in 2004, the 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.

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