

May 5, 2008

Dear Residents of District 15:

An HRM Committee, composed of six Councillors and seven residents working on tax reform, recently brought forth their report advocating changes to our municipal tax system. The present municipal system is based on property values. The committee proposes that it should be service-based and should consider ability to pay.

The services considered will include such things as hydrants (within 1200 ft), solid waste collection, local transit (within 1 km), sidewalks (within 1 km), community recreation facilities, local & regional roads and regional transit. There would be a broad regional tax for police, fire, libraries and other costs.

Regarding “ability to pay” -- Anyone earning up to \$18,000 yearly income will receive a \$1000 rebate on their taxes. People earning between \$18,000 to \$36,600 may receive a rebate of up to 7% depending on whether they have one, two or three children – \$33,700 (1 child), \$35,100 (2 children) or \$36,600 (3 children). There is no reduction for anyone earning over \$36,600.

At present, anyone in HRM purchasing a house or property pays a Deed Transfer Tax. The Committee proposes eliminating this tax and adding it instead to the general property tax bill. This would add an additional 8% increase to everyone’s base tax rate.

If these changes are adopted it would mean that every residential property owner in District 15 would pay a base tax rate of \$1403.00 yearly. Added to this would be the 8% deed transfer tax, plus any area rates plus the provincial taxes which amount to approximately **a** of your present tax bill.

Owners of apartment buildings will also see an increase in their taxes which could possibly be passed on to their tenants so apartment dwellers will feel the effects of the tax reform.

At present it has not been determined what effect the proposals will have on houses with basement apartments or on mobile homes.

I have serious concerns about these possible changes as it would place a higher tax burden on people who may have some, or all, of these services but

are unable to pay the resulting higher taxes. The vast majority of residents in District 15 will pay significantly higher taxes because so many properties are assessed under \$175,000.00. Middle income earners and those on fixed incomes will shoulder the biggest increase if this new tax system comes to fruition.

Input will be sought from the public with two meetings being held in Halifax in May as follows:

Wednesday, May 14th at Halifax West High School (7-9 pm)

Wednesday, May 28th at St. Agnes Church (7-9 pm)

These meetings will be your opportunity to ask questions, get information or share concerns. Further information is available at: www.halifax.ca/taxreform, taxreform@halifax.ca or by calling 490-4886.

You can email your concerns to me at walkerr@halifax.ca or you may call me directly.

Yours sincerely,

Russell Walker
Councillor, District 15
Fairview-Clayton Park