

Statements Often Made About Income Tax:

1. Many people who should be taxed on income remain untaxed.
2. Some people never receive income assessment forms to fill out.
3. People on a definite salary are more apt to be taxed and more apt to be fully taxed than people with a taxable income which is not a salary.
4. On the average, earned incomes pay more taxes than unearned incomes.
5. Because assessments on income are made in the year prior to the levying of the tax
 - (a) many taxes are lost to the city through removal of taxpayers;
 - (b) an opportunity for avoiding an exact statement by the assessee of the total assessable income is afforded.

Are these statements
justified by the facts?

EFFECTIVE CITIZEN CO-OPERATION

WHAT IS EVERYBODY'S BUSINESS SHOULD
BE EACH BODY'S BUSINESS

Issued by the
BUREAU OF MUNICIPAL RESEARCH
813-820 Traders Bank Building, Toronto
Telephone: Main 3620

Bulletin No. 68

June 25, 1918

Is the Income Tax as we know it in Toronto

1. Equitable and fairly certain
of collection?
2. Convenient to collect?
3. Economical in collection?
4. Conducive to public benefit?*

Taxes must be paid **out of income** whether they are on income or not. Otherwise taxation would become confiscatory. Why then, it is sometimes asked, should not all taxes be in proportion to income—why collect any tax but an income tax?

Have you any information based on experience in Toronto, or actual knowledge of facts in Toronto, which will help us to answer these questions?

What answers would you suggest?

*Four tests formulated by the President of the Ontario Municipal Association in 1912.

RATE OF INCREASE IN PROPERTY AND BUSINESS ASSESSMENT AND ASSESSMENT ON INCOMES, SINCE 1909

Year	Property and Business Assessment	Rate of Increase	Assessment on Incomes	Rate of Increase
1909	\$216,880,170	\$10,919,830
1911	294,371,809	35.73%	12,232,965	12.02%
1913	420,583,306	42.88%	15,536,743	26.10%
1915	546,047,548	29.83%	19,085,031	22.83%
1917	567,585,311	3.94%	20,837,702	9.18%
1918	575,093,178	1.32%	25,684,967	23.26%
Increase % in 9 years			165.17%	135.2%

Note that

the Property and Business Assessment has increased in nine years more in proportion than has Income Assessment ;

since 1915, Income Assessment has increased more in proportion than has the Property and Business Assessment.

Q U E R I E S :

Have the total incomes of the citizens increased more rapidly than the value of their properties and businesses ? Since 1909 ? Since 1915 ?

Have real property values gone up in the last four years ?

Do the rates of increase in assessments correspond with the rates of increase in property values ? In incomes ?

Is the relatively rapid increase in income assessment, since 1915, due to greater attention to income assessment or to actual increase in total incomes ?