

Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

ISSUED BY THE

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THE TAX RATE DOES NOT MEASURE THE BURDEN OF TAXATION

A reduction of the tax rate may be accompanied by an increase in the burden of taxation. The tax rate may be lowered by a reduction in expenditure or by an increase in assessment. A reduction due to the latter cause, unless the increased assessment means an actually increased ability to pay, means nothing to the taxpayer, except, perhaps, a rude shock when he gets his tax bill. A reduced tax rate as a result of the reduction of expenditure means a real reduction in the tax burden.

In 1922 the tax rate went down from 33 mills to 32.35 mills but the per capita taxation went up from \$44.15 to \$45.37. Which of these facts is the more important to the taxpayer? Was the tax burden increased or reduced?

The Ups and Downs (few in number) of the Assessment, Tax Rate and Per Capita Taxation Between 1895 and 1922

Between 1895 and 1900 the assessment went down, the tax rate went up and the per capita taxation went down. Between 1900 and 1905 the assessment went up, the tax rate went down and the per capita taxation went down very slightly. Between 1905 and 1910, the assessment went up, the tax rate went down and the per capita taxation went up. From 1910 to 1914, the assessment went up, the tax rate went up and the per capita taxation went up. Between 1914 and 1922, the assessment went down slightly in one year as compared with the preceding year and went up in all other years, the tax rate went up in each of five years and went down in each of three years, and the per capita taxation went up in every year save one. This year was 1919, when large items were available for the reduction of current taxation.

	Assessment*	Tax Rate Mills	Per Cap. Taxation	Per Family Taxation
1895	\$146,338,600	16.25	\$13.26	\$ 65 (est.)
1922	735,191,210	32.35	45.37	225 (est.)

That is, between 1895 and 1922, the assessment has quintupled, the tax rate has nearly doubled and the per capita taxation is more than $3\frac{1}{2}$ times as large. It is a long road. Has it a turning?

The City's population in 1922 was 529,083, the general taxation was \$24,003,993, and the per capita taxation \$45.37. If the increase in population this year is the same as that of last, the 1923 population will be 535,500. Last year's per capita taxation, multiplied by this year's population, would, therefore, give a tax burden equivalent to that of last year. This sum is \$24,295,635. This allows for an increase in total

*Taken from p. XIV. of 1922 Civic estimates, average assessment for taxation purposes between General and Schools.

taxation of more than a quarter of a million dollars, but does not represent a comparative increase. Any taxation in excess of this will mean an increased tax burden; unless, in the meantime, the average taxpayer has become financially more able to pay taxes. If the burden is to be reduced, the total taxation levied will have to fall below \$24,295,635.

The general assessment for 1923 is given as \$767,384,102. The assessment for school purposes is given as \$777,107,952 for public school supporters and \$46,259,617 for separate school supporters. If the rate for separate schools remains the same and the rate for public school supporters is placed at 10 mills, as seems possible, the tax rate for general purposes will be about $20\frac{3}{4}$ if the sum of \$24,295,635 is raised by taxation. That is, the tax rate for citizens other than separate school supporters, will be about $30\frac{3}{4}$ mills. Any mill rate above this will mean an increase in the burden of taxation.

Not Every Reduction is an Economy. Not Every Increase is an Extravagance.

Let us, during 1923, as citizens and taxpayers

1. Study the estimates as they are being passed, noting increases and reductions;
2. Observe the resulting tax rate;
3. Compare our 1923 tax bills with those of 1922;
4. Compare our experience with civic services in 1923 with our experience in 1922;
5. Draw our own conclusions, as the result of what we have learned.
6. Base our succeeding actions on the conclusions drawn.
7. Remember that all taxation—municipal, provincial and national—directly or indirectly, comes out of the pockets of the people—the same pockets of the same people.

Of all countries who took part in the Great War during its whole duration, perhaps none has been so fortunate as Canada. The soil of Canada was not invaded. Her machinery of production was left intact. While huge debts were incurred, the taxation resulting falls far short of that necessary in Great Britain.

With economy, there is no reason why the people of Toronto can not carry the City's debt and the cost of existing services, as well as their share of Provincial and National debt charges. Heavy taxation is never pleasant; but there is no occasion for petulance or pessimism. There is every reason for keeping our civic expenditures within the bounds of our needs and for the recognition of the fact that for a term of years we can not have everything we want. The only effective control is through control of expenditure, and, in the last analysis, the only effective control of expenditure is control effected by courageous, intelligent and persistent citizens.