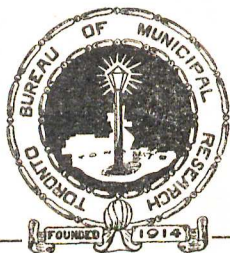


BUREAU OF MUNICIPAL RESEARCH

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

137 WELLINGTON ST. W.
TELEPHONE EL. 1904



TORONTO
CANADA

White Paper No. 183

March 2nd, 1933

FIRST THINGS FIRST

Toronto Needs at the Present Time

1. A balanced budget.
2. A Tax Levy which will not swell the already swollen total of tax arrears.
3. The limitation of appropriations to estimated cash revenues as indicated by past experiences.
4. The adoption of the policy of revision of the appropriations downward through the year should it appear that cash revenues are falling behind anticipations.

Before one can start ahead, after slipping behind,
he must first get a toe hold.

TAX ARREARS

YEAR	Tax levy for the year. (General and Special)	Taxes (including arrears) due for collection at the beginning of the year.	Total Taxes Collected during the year.	Amount of taxes outstanding at end of the year.	Per cent of taxes collected on taxes due.	Per cent Total uncollected taxes are of tax levy for the year	Amount actual collections exceeded (+) or fell short (—) of tax levy in the year.*	Provision for uncollectible taxes, etc. in Estimates for year.*	Population	Per capita Tax levy (General and Special)†
1927.....	\$29,649,547	\$35,377,489	\$29,274,052	\$ 6,103,437	82.74%	20.6%	— \$375,495	\$626,775	569,899	52.02
1928.....	30,158,194	36,142,443	30,185,396	5,957,047	83.51	19.7	+ 27,202	605,672	585,628	51.49
1929.....	31,449,922	36,812,834	31,327,414	5,485,420	85.00	17.4	— 122,508	608,660	606,370	51.86
1930.....	33,634,838	39,110,713	32,666,378	6,444,335	83.52	19.1	— 968,460	484,547	621,596	54.11
1931.....	36,820,958	43,270,712	35,244,339	8,026,373	81.45	21.8	— 1,576,619	379,822	627,231	58.70
1932.....	37,522,157	45,556,515	35,429,525	10,126,990	77.77	26.9	— 2,092,632	487,647	626,674	59.87
Per cent of Increase	26.6%	28.8%	21.0%	65.9%	Per cent of Decrease 6%	30.6%	457.3%	Per cent of Decrease 22.2%	9.96%	15.1%

*These columns are not necessarily connected logically. If however, amounts by which collections fall short of the annual tax levy continue to increase, it would seem that the reserve for uncollectible taxes, etc., will have to be increased and thus increase the gross levy.

†The general tax levy per capita increased from \$48.43 to \$54.64 or 12.8%.

C O M M E N T

1. In 1929, uncollected taxes, general and special, at the end of the year were 17.4% of the total current levy; in 1932 uncollected taxes amounted to 26.9% of the levy.

2. In 1929 the City collected over 85% of the total to be collected. In 1932, it collected less than 78% of this total.

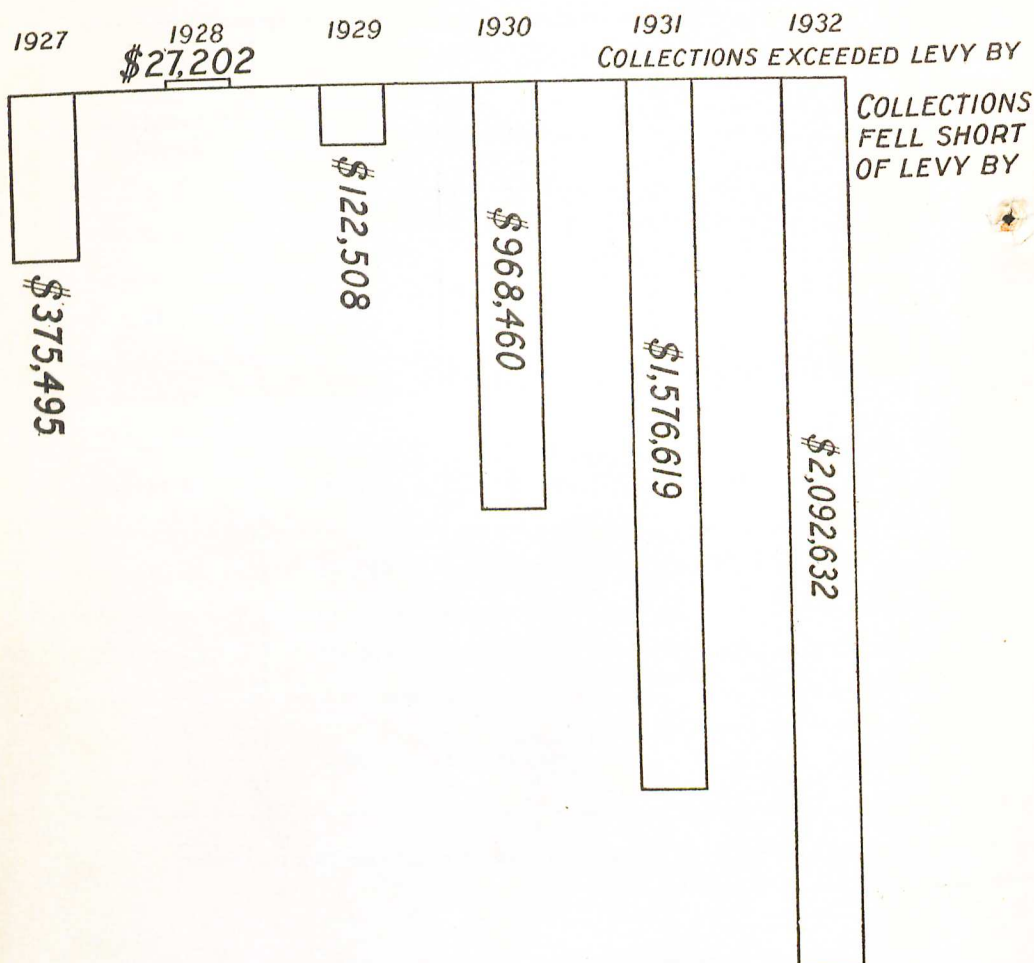
3. While the tax levy for the year was increasing 26.6%, the total taxes collected during the year increased 21.0%.

4. In 1927 uncollected taxes amounted to 20.6% of the total annual tax levy. In 1932 it amounted to 26.9% of the total annual tax levy.

5. In 1928, the City collected more taxes than the tax levy by \$27,202; in 1932, it collected less by \$2,092,632.

6. The City collected \$35,244,339 in 1931 and \$35,429,525 in 1932.

Amounts by which actual collections fell short of or exceeded the annual total tax levies, 1927-1932.



QUERIES

1. Q. Should Toronto "this year" appropriate and spend more than it will take in in cash revenues—taxes and other current revenues—as indicated by the records of 1931 and 1932? Ans. No.

2. Q. What happens when a City over a term of years appropriates and spends more on revenue account than it takes in in revenue cash? Ans. Usually it borrows from the bank.

3. Q. What happens when over a term of years an increasing tax levy is followed by still more rapidly increasing tax arrears? Ans. Usually the municipality finds it more difficult to borrow at the same rate.

4. A budget is technically balanced when its proposed expenditures do not exceed its collectible revenues.

Q. But in times like these when taxes in large amounts may not be collectible for some years, is a budget really balanced safely if the total of taxes uncollected at the end of each year reaches 26.9 per cent. of the annual levy and has increased 65.9% in five year period?