

## Finance

- IDEA: real estate property wealth tax
- Need for Sales and income tax
- Taxes have to be progressive in nature, including lifting current restrictions
- Charter City status doesn't guarantee the use of new revenue tools
- Large challenge if the Charter City is 416 only (sales tax revenue will bleed out to the 905)

### **Notes from Session 1**

Existing ways we fund the City:

- User fees (especially TTC)
- Property tax
- Land transfer tax
- Grants from other orders of government

Charter City would allow/needs:

- Income tax
- Wealth tax for
- Individuals on residential property
- Absent for individuals on other forms of wealth
- Corporations and businesses only on their real estate property
- Needs to be progressive in nature

Discussion on the challenges of starting something new, like a wealth tax, vs more easily implementable steps involving current/foreseeable taxation powers

View expressed that money the city already spends could be more efficiently allocated. A challenge to any messaging for higher levels of taxation.

Notes by David White

## Notes from Session 2

### Financing a Charter City

- Reduce the education levy
- A cut of income and sales tax
- Have the Feds buy all our debt and fund capital projects directly
- A public bank for Toronto

How do we pay for a charter city, especially not knowing what exactly it is?

What should fund operations? Could it not be revenue neutral? We are already short of funding, so what do we do?

We have many taxing powers we don't use, could be an extra billion. Ben, if you put a dome over Toronto to keep in all the money we'd have enough.

Retail investors can't buy municipal debentures, more popular in the US. It's all banks and institutional investors. Toronto borrows really well, but most municipalities lose money on debentures.

What is acceptable share of sales taxes? Better to take a slice of existing taxation (sales, income) rather than adding to the tax burden what with the cost of living already high, along with poverty, inequality and homelessness.

If other places don't raise sales tax will create disparity with surrounding areas. Higher income tax might move people out of the city.

NYC has a resident income tax if they spend enough time per year living in the city.

You cannot charge a higher rate for property taxes based on size, only applies to sales of homes. Progressive property taxes would be good. Bring back VRT based on progressive formula.

Are there pitfalls to having more money? Funding might not go towards best place to spend, they might choose larger corporations over smaller initiatives. Not really a problem in this day and age, there is accountability and the city should be able to handle more money and spend it wisely. City can't run deficits, would be concerned if the charter allows it to do so. Vancouver can run a deficit. Can build up surpluses to save for leaner deficit years. But should deficits be debt-funded at municipal level considering losses on debentures?

Big issue not using the tools we already have, fought hard for them but leaving them unused. We don't have the power to levy any truly progressive taxes.

Notes by Adam Smith