

Licensing and Standards Committee

Meeting No.	10	Contact	Dela Ting, Acting Administrator
Meeting Date	Friday, January 11, 2008	Phone	416-397-7769
Start Time	9:30 AM	E-mail	lsc@toronto.ca
Location	Committee Room 1, City Hall		

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LS10.3	NO AMENDMENT			Wards: All
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Taxicab Fare Calculation and Impact of 2008 Goods and Services Tax Reduction on Taxicab Fares

City Council Decision

City Council on January 29 and 30, 2008, adopted the following motions:

1. Taximeters in Toronto licensed taxicabs be recalibrated to reflect the Federal Government's reduction of the Goods and Services Tax (G.S.T.) on January 1, 2008, from 6% to 5%.
 2. The resulting increase in taxicab fares be absorbed by the taxicab industry as an increase of approximately 1% in taxicab fares for 2008.
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(January 7, 2008) Report from Executive Director, Municipal Licensing and Standards

Committee Recommendations

The Licensing and Standards Committee recommends to City Council that:

1. Taximeters in Toronto licensed taxicabs be recalibrated to reflect the Federal Government's reduction of the Goods and Services Tax (G.S.T.) on January 1, 2008, from 6% to 5%; and
2. The resulting increase in taxicab fares be absorbed by the taxicab industry as an increase of approximately 1% in taxicab fares for 2008.

Financial Impact

This report will have no financial impact beyond what has already been approved in Municipal Licensing and Standard's current year's budget.

Summary

The purpose of this report is to advise the City of Toronto regarding an annual review of taxicab fares utilizing the most recent Statistics Canada Consumer Price Index for the Province of Ontario, with special attention being paid to the current cost of fuel; and, to report on the impact on taxicab fares of the Federal government's reduction of 1% in the Goods and Services Tax (G.S.T.) on January 1, 2008.

The cost of operating a taxicab in the City of Toronto has increased by 0.66% from November 2005 to date based on the current taxicab fare determination formula. Utilizing the current taxicab fare determination formulas of Toronto, Mississauga and Ottawa, as shown in Appendix "A" to this report, the Toronto formula indicates a fare increase of 0.66%, an increase of 0.45% utilizing the Mississauga formula and an increase of 1.62% according to the Ottawa formula. Based on the three formulas, the average taxicab fare increase for Toronto licensed taxicabs is 0.91% based on current Statistics Canada data.

Given that the G.S.T. was reduced by 1% on January 1, 2008 and that the current fare calculation indicates that taxicab fares should, as an average, be increased by 0.91% for City of Toronto licensed taxicabs, it is recommended that taxicab fares in the City of Toronto be increased by allowing the taxicab industry to absorb the 1% G.S.T. reduction in lieu of a fare increase.

Background Information

Taxicab Fare Calculation and Impact of 2008 Goods and Services Tax Reduction on Taxicab Fares

(<http://www.toronto.ca/legdocs/mmis/2008/ls/bgrd/backgroundfile-9793.pdf>)

Submitted Friday, January 11, 2008

Councillor Howard Moscoe, Chair, Licensing and Standards Committee