

Personal Vehicle Tax – Closing Administrative Matters

Date:	November 14, 2011
To:	City Council
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2011\Internal Services\Cf\Cc11038cf (AFS #13383)

SUMMARY

The purpose of this report is to seek authority to amend the Personal Vehicle Tax by-law in order to cease any remaining potential application of the tax.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. Collection of the Personal Vehicle Tax (PVT) cease in its entirety effective January 1, 2012, and the PVT By-law (City of Toronto Municipal Code Chapter 765, Taxation, Personal Vehicle Tax) be amended to end all PVT liability and collection accordingly.
2. Authority be granted for the introduction of the necessary bills to give effect hereto.

Financial Impact

The termination of the PVT collection agreement with the Province requires an amendment to the City's PVT by-law ending all liability for the tax and all collection of it. While the agreement persists the City is exposed to reimbursement of the Province's related costs.

DECISION HISTORY

City Council, at its meeting on December 16, 2010, adopted the recommendation to cease the collection of the City's Personal Vehicle Tax for vehicle licence plate validation renewal periods commencing on or after January 1, 2011. At the same meeting, Council authorized the termination of the PVT Collection Agreement with the Province (Ministry of Transportation) and approved issuance of PVT refunds to eligible PVT payers.

The report, dated December 3, 2010, entitled "Personal Vehicle Tax – Repeal of Tax and Termination of Collection Agreement" may be accessed at the following link:

<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-34156.pdf>

COMMENTS

Following City Council decision to terminate PVT effective January 1, 2011, no PVT was collected for 2011 renewals. However, in accordance with Council's decision, the PVT continued to be collected on the renewal of vehicle permit validations which expired in 2010, but for which renewal had been delayed into 2011. Deferred renewals of 2010 permits now are very rare and it is not intended that they would continue to be taxed in 2012. In order to turn off the collection system, the Province requires that it be compliant with the by-law. The simplest solution is to amend the by-law to end the collection of any PVT.

CONTACT

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SIGNATURE

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