TORONTO

Casey Brendon
Director, Revenue Services

Giuliana Carbone
Treasurer

Revenue Services
North York Civic Centre
5100 Yonge Street
Toronto, Ontario M2N 5V7

Tel: (416) 392-8065
Fax: (416) 696-3778
E-mail: cbrendo@toronto.ca

2014 OPERATING BUDGET BRIEFING NOTE
Net Taxable Assessment Growth Revenue for the 2014 Taxation Year - $ 25.4 Million = $3.4 Million Additional Increase

Issue / Background:

- The final Assessment Roll returned by the Municipal Property Assessment Corporation (MPAC) for 2014 taxation has determined that the net new revenue for the City associated with assessment growth that occurred in 2013 on "taxable" properties is approximately $25.4 million or 0.68% [after adjusting for Toronto Community Housing Corporation (TCHC) properties that converted from taxable to exempt status during the 2013 taxation year].

Chart 1: Net New Tax Revenue re: Assessment Growth

Property Class	New Tax Levy from Assessment Growth ($ millions)	% Increase in Revenue from Growth
Residential	31.1	0.84%
Multi-Residential (including New Multi-Residential)	(19.9)	-0.53%
Commercial	(1.4)	-0.04%
Industrial	(3.0)	-0.08%
Other (Includes Farm, Pipeline and Managed Forest)	0.2	0.01%
All Classes	**7.0**	0.19%
Adjustment for TCHC Tax Exemptions	18.4	0.50%
Net New Revenue re: Growth	**25.4**	**0.68%**
Preliminary Growth in Budget	**22.0**	**0.59%**
Increase in Growth	**3.4**	**0.09%**

- The $19.9 million decrease in the Multi-Residential (including New Multi-Residential) property class largely reflects the conversion of 81 Toronto Community Housing Corporation (TCHC) properties from taxable to exempt status effective January 1, 2013. There is no net financial impact to the City associated with the conversion of TCHC properties to exempt as the $18.4 reduction in municipal tax revenue is offset by an equal reduction in the City's subsidy to TCHC. However, the conversion of these TCHC properties to exempt has resulted in net savings to the TCHC of $2.3 million, representing the education portion of taxes which are no longer payable to the Province.
- The 2014 Staff Recommended Operating Budget included an estimated assessment growth of $22 million. The final net new revenue associated with assessment growth for 2014 taxation is $25.4 million. **The increase of $3.4 million represents a 0.10% reduction in the budgetary levy increase for 2014, or a 0.14% reduction in the residential tax increase and a 0.05% reduction in the non-residential tax increase.**

Prepared by: Nick Naddeo, Manager, Revenue Accounting & Collections, 416-395-6789
Adir Gupta, Manager Financial Policy & Strategic Analysis, 416-392-8071

Further information: Giuliana Carbone, Treasurer, 416-392-8427

Casey Brendon, Director Revenue Services, 416-392-8065

Date: December 19, 2013