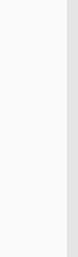


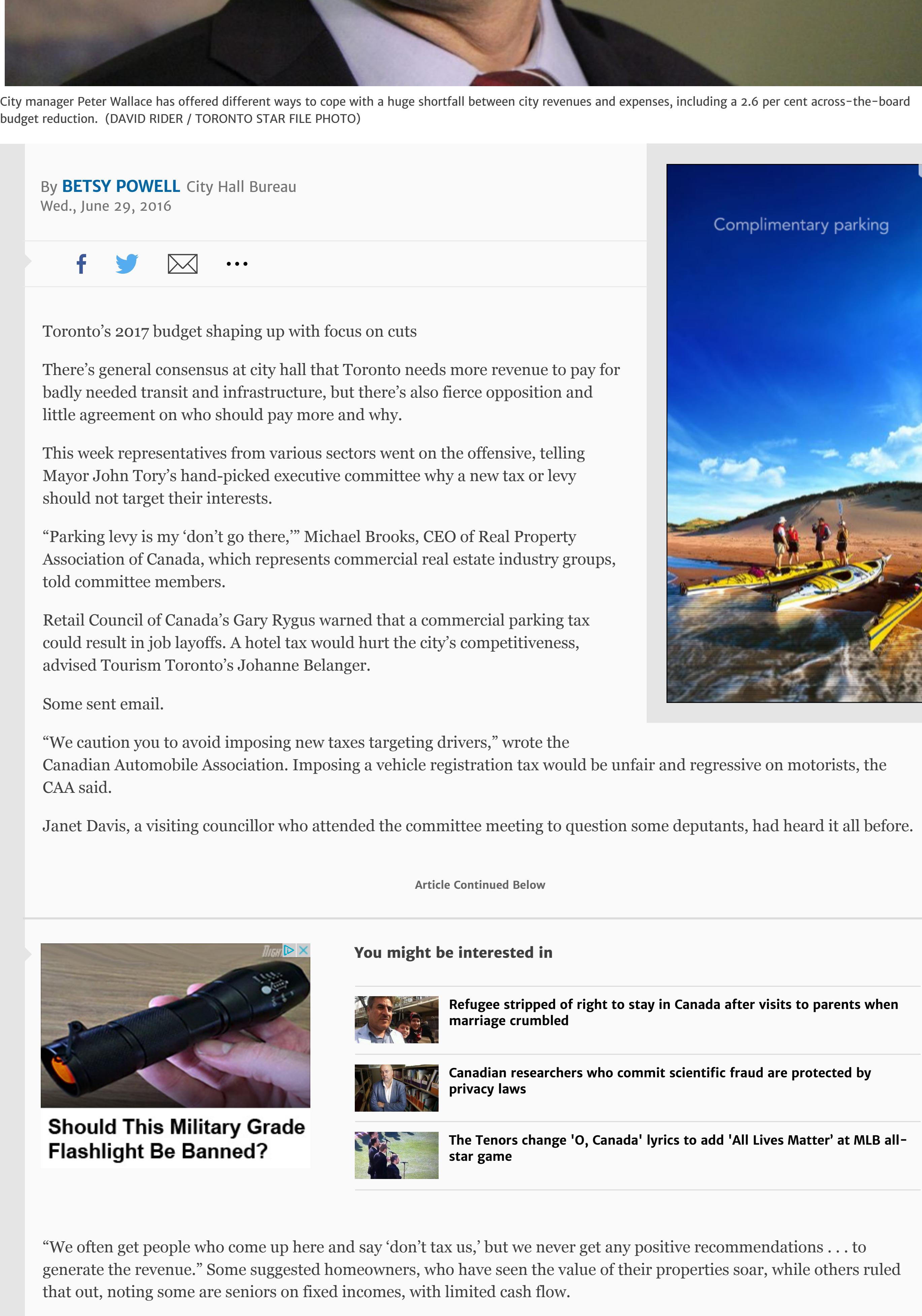
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Toronto business sectors warn councillors not to target them with new taxes

The city's executive committee has referred a KPMG report on revenue options to staff and approves 2017 budget direction



City manager Peter Wallace has offered different ways to cope with a huge shortfall between city revenues and expenses, including a 2.6 per cent across-the-board budget reduction. (DAVID RIDER / TORONTO STAR FILE PHOTO)

By **BETSY POWELL**, City Hall Bureau
Wed., June 29, 2016

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Toronto's 2017 budget shaping up with focus on cuts

There's general consensus at city hall that Toronto needs more revenue to pay for badly needed transit and infrastructure, but there's also fierce opposition and little agreement on who should pay more and why.

This week representatives from various sectors went on the offensive, telling Mayor John Tory's hand-picked executive committee why a new tax or levy should not target their interests.

"Parking levy is my 'don't go there,'" Michael Brooks, CEO of Real Property Association of Canada, which represents commercial real estate industry groups, told committee members.

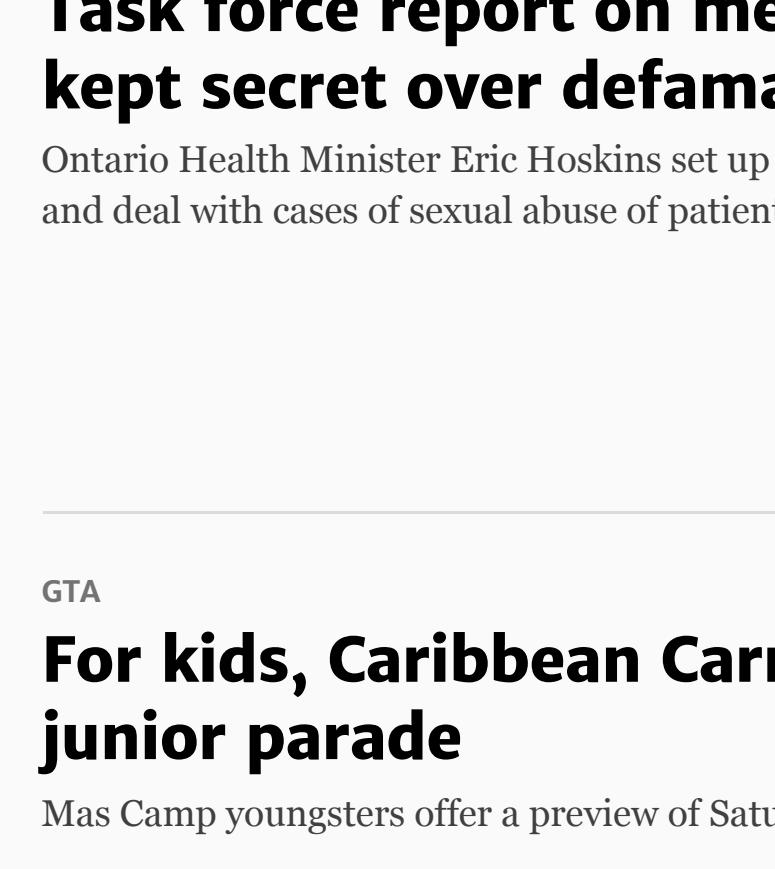
Retail Council of Canada's Gary Rygus warned that a commercial parking tax could result in job layoffs. A hotel tax would hurt the city's competitiveness, advised Tourism Toronto's Johanne Belanger.

Some sent email.

"We caution you to avoid imposing new taxes targeting drivers," wrote the Canadian Automobile Association. Imposing a vehicle registration tax would be unfair and regressive on motorists, the CAA said.

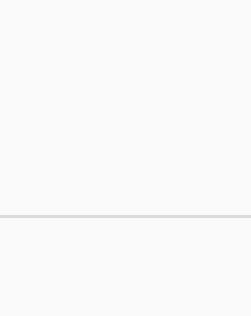
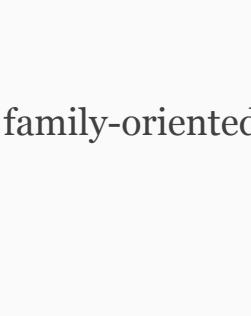
Janet Davis, a visiting councillor who attended the committee meeting to question some deputants, had heard it all before.

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"We often get people who come up here and say 'don't tax us,' but we never get any positive recommendations . . . to generate the revenue." Some suggested homeowners, who have seen the value of their properties soar, while others ruled that out, noting some are seniors on fixed incomes, with limited cash flow.

The committee, considering a report from KPMG consultants that analyzes 12 "revenue options" including alcohol, entertainment and municipal sales taxes, referred the paper to city manager Peter Wallace, who may endorse specific measures this fall.

Tory hasn't endorsed any of the taxes cited in the KPMG report but has made no secret that he favours a hotel-room tax. Seen through a political lens, it's a lesser evil that mostly touches non-residents. KPMG said such a tax could raise between \$21 million and \$126 million annually.

"Most of the cities I've travelled, all have one of these," Tory said of a hotel tax after a trio of hotel/tourism representatives suggested it would erode the city's competitiveness.

By contrast, a new parking levy could bring in \$535 million in new taxes, and should be given serious consideration, argued Sheila Block, senior economist, Canadian Centre for Policy Alternatives.

On Wednesday, the committee approved a direction for the 2017 operating and capital budgets that is focused on finding reductions rather than relying on new revenue.

Wallace has offered different ways to cope with a huge shortfall between city revenues and expenses, including a 2.6 per cent across-the-board budget reduction for all city programs and agencies. The mayor and councillors, including Deputy Mayor Denzil Minnan-Wong, insist there are savings to be found. Councillor Gord Perks said Torontonians should brace for deep cuts to services.

Sean Meagher, Social Planning Toronto's executive director, said in a news release the budget direction "continues a commitment to low tax rates, and rejects immediate access to other revenue tools, relying instead on service cuts and rising fees to balance the city budget."

Inequality in the city will rise as a result, he said.

Stark choices lie ahead, predicted Block. "It's really do or die time for this council."

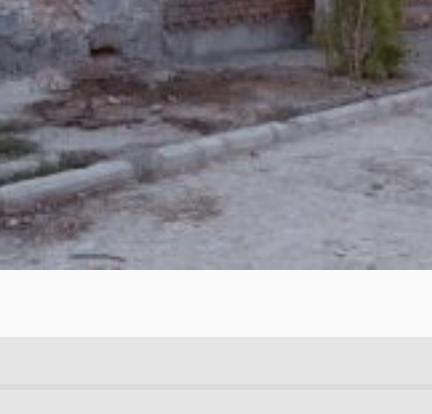
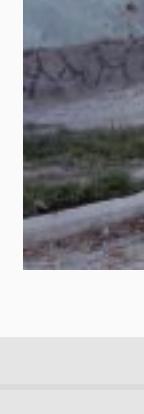
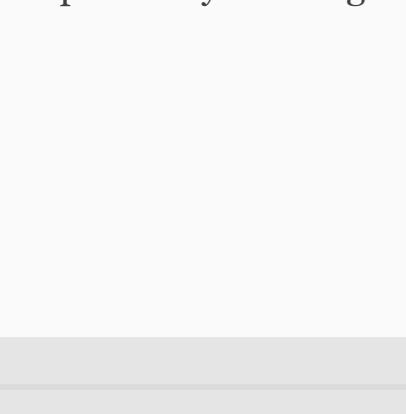
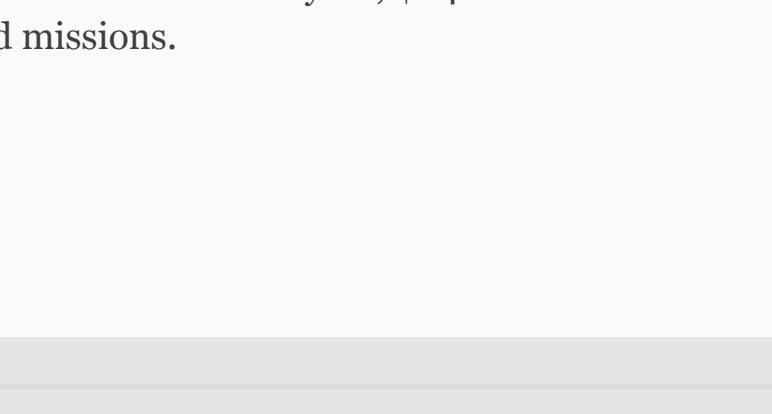
Council must raise property taxes above the inflation rate — which the mayor and many councillors oppose — impose new taxes or levies or make fairly drastic cuts to services, she said Wednesday.

None is a particularly palatable option for the 44 councillors and mayor who decide to seek re-election in 2018. Councillor James Pasternak wondered if there is a way to avoid driving residents into the street with "torches and pitchforks."

Tory vowed to "show leadership" and endorse revenue-raising tools which he wants earmarked for specific long-term capital funding projects. "We have an obligation to move forward on this."

Read more about: [John Tory](#)

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