



Municipal Tax and Municipal Tax Reliance – Greater tax means greater reliance

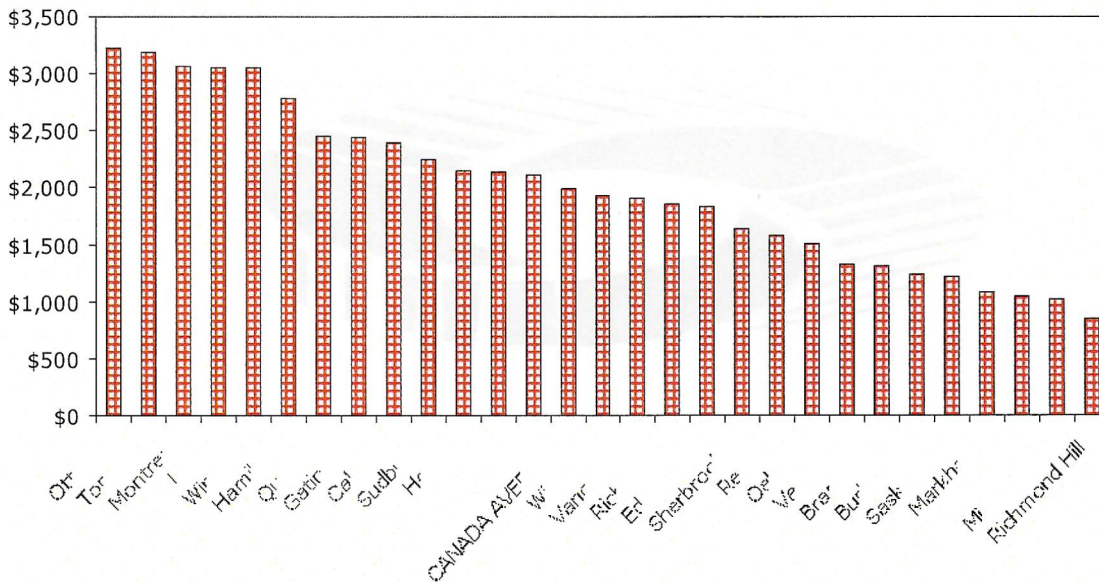
The Frontier Centre’s 2007 Local Government Performance Index produced a unique wealth of data describing the financial status of Canada’s 30 most populous municipal jurisdictions. The index is unique because it is Canada-wide. This Frontier Charticle presents the levels of taxation imposed collected divided by the number of households counted in each jurisdiction. To acknowledge the different revenue compositions stemming from the use of user fees, higher government grants, development charges, and revenue from subsidiaries, the proportion of total revenue taken from taxation is also included. From these two figures it is also possible to appreciate the level of total revenue consumed by each municipality, for example Laval has the highest proportion of revenue taken from taxation but also very high gross taxation, indicating high overall revenue.

Other observations include:

- Extremely large variations between taxation levels, with the highest taxing jurisdiction taking over three times per household as much as the lowest taxing.
- A general trend, with significant outliers, toward lower taxing jurisdictions relying on taxation for a smaller proportion of total revenue. In other words, jurisdictions that tax less use other sources of revenue more, as indicated by the general downward slope from left to right on the bottom graph.
- There are no strong regional trends, although the eight highest taxing jurisdictions are in Ontario and Quebec.
- Larger cities like Mississauga and Surrey are amongst the lowest taxing, while Winnipeg and Richmond are below average. Despite the presence of Ottawa, Montreal, and Toronto as the three highest taxers, there appears to be no basis for a city size trend.
- London and Kitchener did not report taxation revenue in 2005 so could not be included.

Data Source: 2005 City Financial Statements

Property Taxes Collected per Household by Canadian Cities



Property Taxes as a Proportion of Own Source Revenue Collected by Canadian Cities

