

# IMFG

Institute on Municipal  
Finance & Governance

MUNK  
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TORONTO

# Is Toronto Broke? Making Sense of the Numbers: Municipal Finance in Toronto

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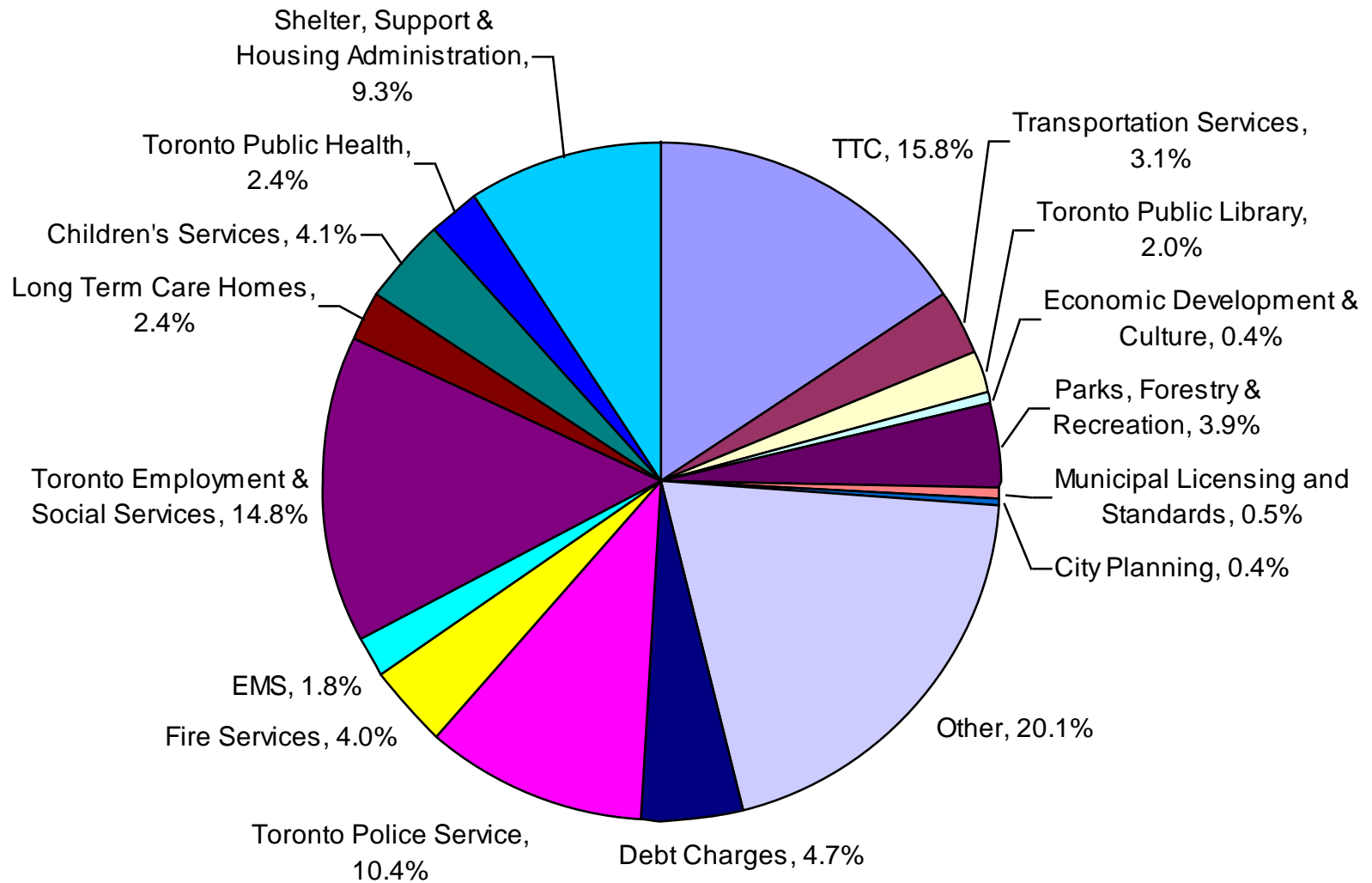
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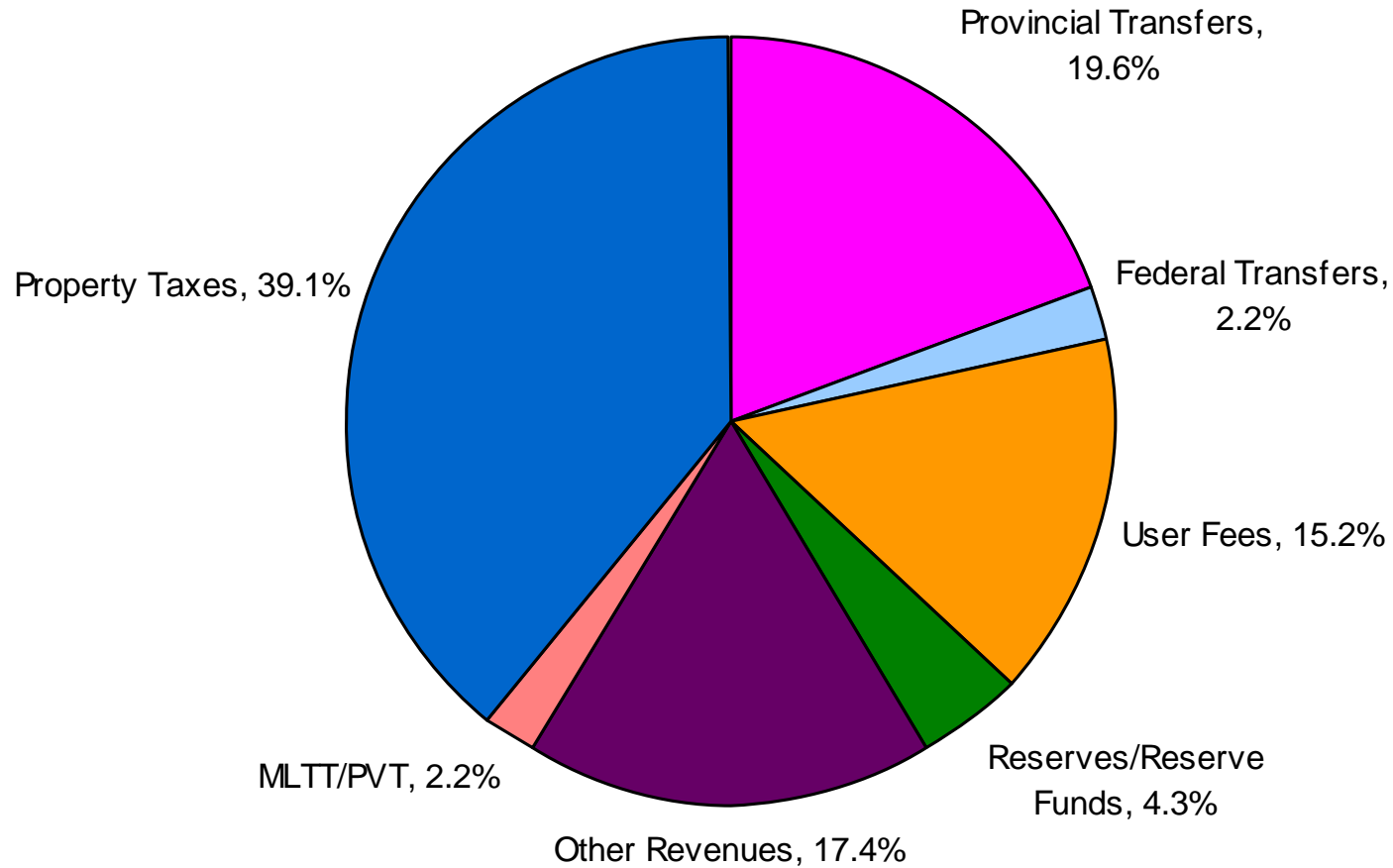
# Outline

- Toronto's budget – where the money goes; where it comes from
- Fiscal challenges facing the city and what they have meant for Toronto's fiscal health
- The role of the property tax
- What do other cities do?
- How to fund city services: the need for a mix of taxes

## Distribution of Operating Expenditures, City of Toronto, 2010



## Sources of Operating Revenues, City of Toronto, 2010



## Taxes in Three Cities

Toronto	Berlin		New York City
Property tax	<b>Land (state) taxes and tax shares:</b>	<b>Land (state) plus local shares:</b>	General property
Land transfer tax	Share of corporate income tax	Personal income tax	General sales
Billboard tax	Share of capital income tax	Business tax	Personal income
	Real estate transfer tax	<b>Local taxes:</b>	General corporation
	Motor vehicle tax	Real estate tax	Commercial occupancy
	Inheritance tax	Entertainment tax	Banking corporation
	Tax on betting and lotteries	Dog tax	Utility
	Fire protection tax	Second home tax	Unincorporated business
	Beer tax		Real property transfer
			Mortgage recording
			Tax audit revenues
			Cigarette
			Hotel

# DIFFERENT SERVICES – DIFFERENT REVENUE TOOLS

## Private

Water

Sewers

Garbage

Transit

## Public

Police

Fire

Local parks

Street lights

## Redistributive

Social assist.

Social housing

## Spillovers

Roads/transit

Culture

Social assistance



**User fees**



**Property tax**

**Sales tax**



**Income tax**



**Transfers**