

32 Taxation



What is the Service?

Taxation services provide the efficient and effective collection of all taxes owing to the municipality. Municipalities are mandated by provincial legislation to levy and collect property taxes for municipal and education purposes. It is the municipal portion of the property tax bill that provides municipalities with the major source of revenue they require to operate on a day-to-day basis.

Property tax revenue is based on the total assessed value of all properties within the municipality. Municipal tax rates are set by municipal Council each year based on their budgetary requirements while the Province sets the education tax rates.

NB: The Municipal Property Assessment Corporation (MPAC) is responsible for determining the current value assessment and tax class for all properties in Ontario.



Influencing Factors:

Economic Conditions: High growth municipalities may require additional billing processes, i.e. supplementary and omit bills, interim and final runs. The strength of a local economy may also impact tax arrears, collections, penalty and interest charges.

Local Economy: Local conditions may influence measures related to receivables, collections and other.

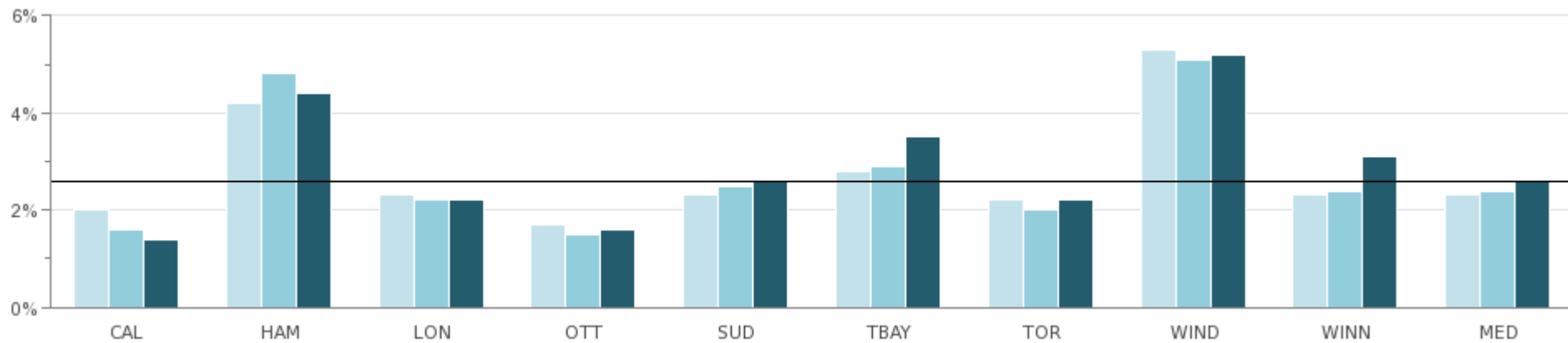
Government Policy: Ministry required standardized billing and changes in capping methodology requires municipalities to continually upgrade software systems to maintain compliance with legislation.

Policies and Practices: Differences in how each municipality defines a bill, administration of pre-authorized payment plans, internet-based payment options, collection processes; and the number and treatment of Payment in Lieu (PIL) accounts.

Taxation

What percent of current year's tax dollars is outstanding?

Fig 32.2 Current Year's Tax Arrears as a Percent of Current Year Levy



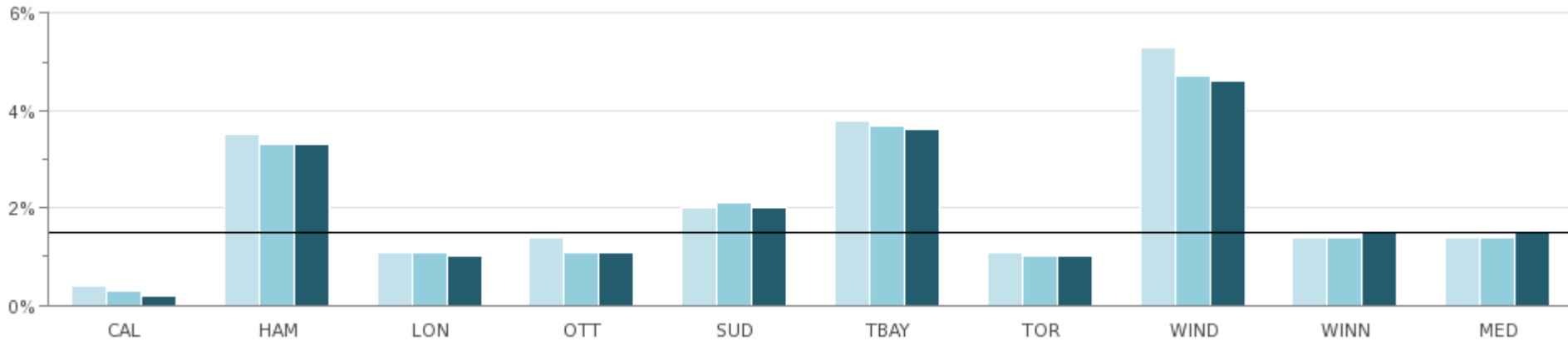
2011	2.0%	4.2%	2.3%	1.7%	2.3%	2.8%	2.2%	5.3%	2.3%	2.3%
2012	1.6%	4.8%	2.2%	1.5%	2.5%	2.9%	2.0%	5.1%	2.4%	2.4%
2013	1.4%	4.4%	2.2%	1.6%	2.6%	3.5%	2.2%	5.2%	3.1%	2.6%

Source: TXRS135 (Community Impact)

Note: The strength of a local economy may also impact tax arrears, collections and penalty and interest charges.

What percent of the prior year's tax arrears were not collected in the current year?

Fig 32.2 Percent of Prior Year's Tax Arrears Not Collected in the Current Year as a Percent of the Current Year Levy

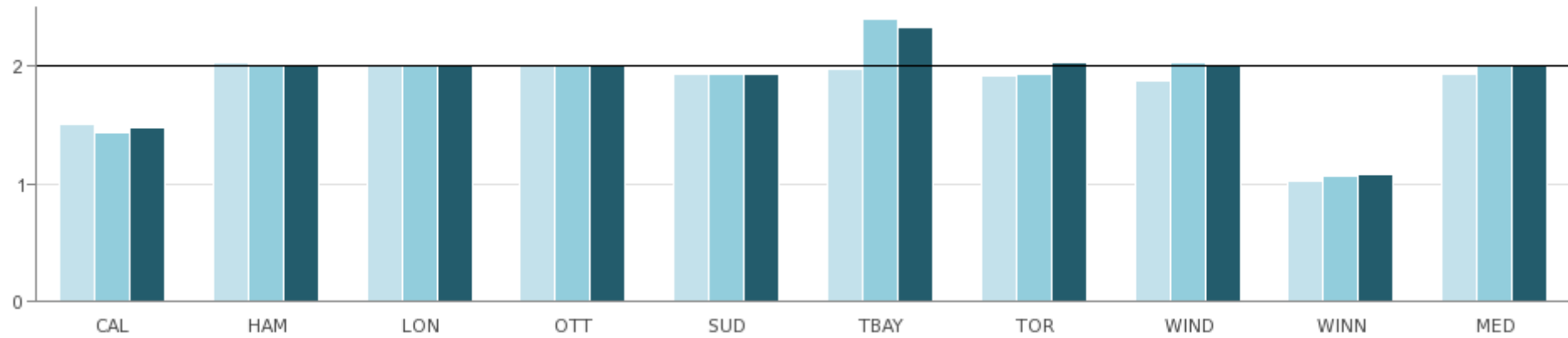


2011	0.4%	3.5%	1.1%	1.4%	2.0%	3.8%	1.1%	5.3%	1.4%	1.4%
2012	0.3%	3.3%	1.1%	1.1%	2.1%	3.7%	1.0%	4.7%	1.4%	1.4%
2013	0.2%	3.3%	1.0%	1.1%	2.0%	3.6%	1.0%	4.6%	1.5%	1.5%

Source: TXRS140 (Community Impact)

How many tax bills were issued per account?

Fig 32.3 Total Number of Tax (Interim, Final, Supps, Omits & Letters) and Payment in Lieu (PIL) Bills Issued Annually per Account Maintained/Serviced

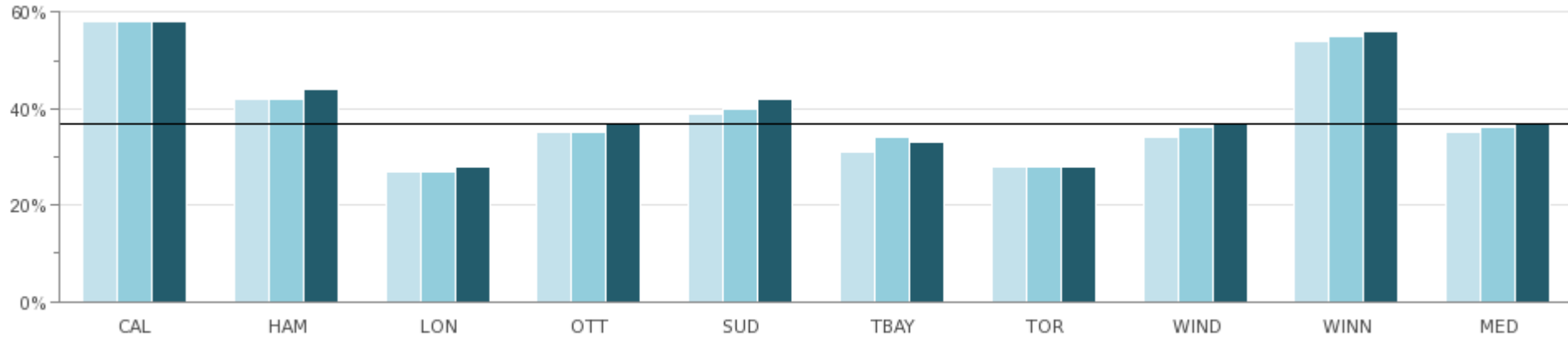


2011	1.51	2.03	2.01	2.02	1.93	1.98	1.92	1.87	1.02	1.93
2012	1.43	2.02	2.00	2.00	1.94	2.40	1.94	2.03	1.06	2.00
2013	1.48	2.02	2.02	2.01	1.94	2.34	2.03	2.01	1.08	2.01

Source: TXRS206 (Service Level)

What percent of accounts use pre-authorized payment plans?

Fig 32.4 Percent of Accounts (All Classes) Enrolled in a Pre-Authorized Payment Plan



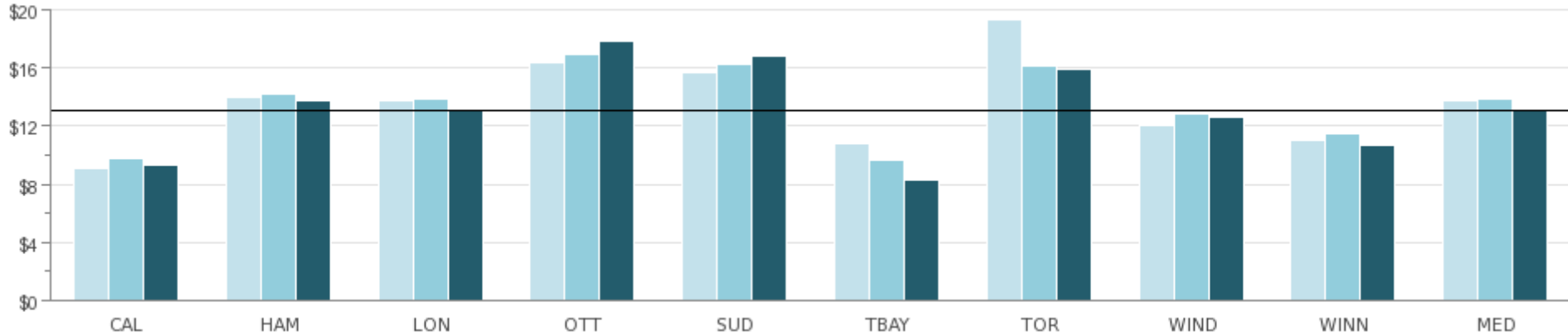
2011	58%	42%	27%	35%	39%	31%	28%	34%	54%	35%
2012	58%	42%	27%	35%	40%	34%	28%	36%	55%	36%
2013	58%	44%	28%	37%	42%	33%	28%	37%	56%	37%

Source: TXRS405 (Customer Service)

Note: The number of installments/due dates may impact the enrollment in pre-authorized payment plans.

How much does it cost to maintain a tax account?

Fig 32.5 Operating Cost to Maintain Taxation Accounts per Account Serviced



2011	\$9.08	\$14.03	\$13.73	\$16.35	\$15.67	\$10.75	\$19.35	\$12.00	\$10.99	\$13.73
2012	\$9.76	\$14.25	\$13.88	\$16.90	\$16.29	\$9.67	\$16.11	\$12.89	\$11.47	\$13.88
2013	\$9.37	\$13.74	\$13.06	\$17.87	\$16.86	\$8.30	\$15.97	\$12.59	\$10.72	\$13.06

Source: TXRS310 (Efficiency)

Note: Costs related to the preparation and mailing of all billings, including interim, final and supplementary bills, payment processing and collection, are included in this calculation. Results may be impacted by the extent to which processes are automated.