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Recommendations on Municipal Taxation

Dr. H. L. Brittain Submits for Increasing Vancouver Revenue a Property Tax as at Present, a Share in Provincial Taxes and a Business Tax.

Doctor Horace L. Brittain, Director of the Citizens' Research Institute of Canada, with headquarters at Toronto, who has been investigating the taxation position of Vancouver on invitation of Mayor Gale and the City Council, has filed a very valuable report on the subject of taxation, with special bearing on the problems of Vancouver. An especial feature of the report is the desirability of the provincial and municipalities co-operating for the mutual handling of the taxation problem.

At the close of Doctor Brittain's report he offers suggestions and recommendations which are worthy of the thoughtful attention of all ratepayers and citizens. His statement is as follows:

While there may be several ways in which Vancouver may get more money from the taxpayers, the writer can recommend but one. This requires reasonable co-operation between the province and the municipalities and can be made effective within a moderate period of time. The main features of the plan, which the writer suggests, are as follows:

1. A Real property tax as at present.
2. A share of a provincial personal income tax on all personal incomes, at increased rates if necessary.
3. A business tax at a flat rate, or, at two separate flat rates according as the business is incorporated or unincorporated; said tax to be administered by the province, and any revenue resulting to be distributed to the municipalities.
4. A minimum income tax or service tax applicable to both sexes, in the event of the province maintaining the principle of flat rate taxation on persons not otherwise taxed, said service tax being substituted for the poll-tax and the proceeds being made available to the municipalities at least to the extent of fifty per cent of the amount raised within their limits.
5. Half the local proceeds of the provincial tax on motor vehicles.
6. Half of the local proceeds of the provincial amusement tax.

7. Increased miscellaneous revenue from special sources other than taxation.

The writer recommends that:

1. The City of Vancouver, along with the other municipalities of the province, request the Government to set aside a share of a personal income tax as above described, or, failing its adoption, a share of the proceeds of the present provincial income tax. The percentage to be made available to the municipalities having been established, after due consideration of such factors as the presence in cities of head offices of companies which do the bulk of their business elsewhere, the resulting municipal share should be divided between the municipalities on the basis of real property assessments, if and when these have been equalized by a provincial board, or, failing this, on the basis of population. The percentage should be placed high enough to yield to the City of Vancouver at least four hundred thousand dollars from this source.

2. The City, along with the other municipalities, memorialize the provincial government to establish a business tax on all businesses whether conducted by individuals, partnerships or incorporations, at a rate of one or two per cent on each of the first two and of two or four per cent on the third, such tax being the sole tax on business as such. The total balance of the profits of the business would be available for provincial income taxes at graduated rates, and might be collected at the source in the case of partnerships and corporations, the balance of profits or dividends being forwarded to the recipients along with receipts for the amounts deducted. On the sending in of personal application with the necessary vouchers, any adjustments required by the provisions of the law with regard to exemptions could be readily made. The revenues from the proposed municipalities which give the bulk of the direct services to business; but a small share of the proceeds could fairly be retained by the province to cover the cost of collection. The writer is unable to obtain the data on which an estimate of the productivity of this tax might be based, but believes that the percentages should be so placed that Vancouver's share of the resulting revenue should not fall short of seventy-five thousand dollars per

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