

II. The methods of raising revenue in the urban municipalities stand in urgent need of alteration.

(a) The present system of depending on land values as the principal source of revenue was until recently not felt to be particularly onerous, but the committee is convinced that under the conditions which now exist unimproved property is unable to take care of the taxes which are imposed. Some other provision for raising revenues should be made.

(b) The tax on improvements should be made uniform in all the cities, towns and villages throughout the province and the committee suggests that about 50 per cent. of full value would be the proper basis for their assessment.

(c) The business tax, as at present administered, is not entirely satisfactory and an effort should be made to improve it. A tendency to restrict expansion has been noted in some places. A schedule should be fixed by the government which would be applicable uniformly throughout the province. The schedule should fix the square-foot assessment at not more than eight dollars in the highest classifications.

(d) No attempt is made to apply the present income tax law except in the larger centres. Where applied it has been found to be difficult of administration and insignificant in respect to yield.

(e) The committee recommends the extension of the special assessment principle to cover the expenses of specific services, such as scavenging and sewer service.

(f) It is suggested that the public utilities be made to bear a portion of the burden of taxation. This might be accomplished by levying a charge in the form of a franchise tax even upon the municipally-owned utilities.

(g) In the case of discontent with assessments no appeal from the decision of the local government board to a court of law is desirable. The necessity of having certainty and definiteness in the assessment roll outweighs all other considerations.

(h) Authority should be granted the municipalities to issue long-term debentures for the purpose of financing uncollected taxes.

(i) The cost of obtaining title to lands acquired through purchases of tax sale certificates is unduly great.

(j) Inasmuch as the financial problem of the urban municipalities is profoundly affected by the problem of taxation for schools (the general municipal officials having no control over the financing of the schools), it is suggested that some plan might well be evolved which would place the business management of the schools at least partly under the control of the municipal councils.

#### THE REPORT OF COMMISSIONER C. J. YORATH.

While this investigation was under way (August, 1917), C. J. Yorath, City Commissioner of Saskatoon, submitted to the mayor and aldermen of that city a *Special Report upon Assessment and Taxation* (published by the city, 23 pp.), in which was set forth a description of conditions in Saskatoon and the recommendations of the commissioner for changes in the system of taxation. It contained a spirited indictment of the policy of exempting buildings from taxation, contending that this system had "proven to be the most difficult method of raising revenue" and that it was "largely responsible for enormous arrears of taxes."<sup>1</sup> The recommendations were as follows:<sup>2</sup>

(1) That the present assessment of land values be reduced by an average of 25 per cent. and the city assessor be instructed accordingly.

(2) That the assessed value of improvements be increased from 25 to 40 per cent. of their fair actual value.

(3) That the present business license fees and business tax be abolished and application be made to the Provincial Legislature to amend The City Act so as to enable the city to broaden the basis of taxation by imposing an income tax based on the system in vogue in the State of Wisconsin, and the system recommended by the Winnipeg Commission.

(4) That application be made to the Provincial Legislature for an amendment to The City Act which will enable the city to impose an unearned increment tax, not exceeding 25 per cent. of the enhanced value, or difference in buying and selling price of all real estate bought or sold after the first day of January, 1918. The fund to be raised by this tax to be used as a reserve for financing the city's current or capital account as it deems best.

<sup>1</sup> Report, p. 3.

<sup>2</sup> *Ibid.*, p. 17.