

May 10, 2007

## Amusement Tax (Ticket Tax)

**Assumed tax rate: 10% of ticket price**

### **Revenue Calculation:**

City of Toronto expected tax take on a 10% amusement tax <sup>a</sup> :	\$34,042,000
Projected City of Toronto population in 2008 <sup>b</sup> :	2,512,301
Toronto per capita tax-take:	\$13.55
Projected Alberta population in 2007 <sup>c</sup> :	3,538,576
Projected tax-take in Alberta <sup>d</sup> :	<b>\$47,948,164</b>

### **Tax rate assumptions:**

Currently no Alberta municipality has recommended a specific amusement tax rate, so we are left to look at other Canadian cities for their current tax rates.

Canadian cities with an Amusement Tax<sup>e</sup>:

- Winnipeg – 10% of admission price
- Regina – 10% of admission price
- Saskatoon – 9% of admission price

Majority of Canadian cities with an amusement tax, taxed at a rate of 10%.

## Tourism Tax (Hotel Tax)

**Assumed tax rate: 4% of hotel room rate**

### **Revenue Calculation:**

Alberta government revenue calculation for 4% tourism levy (hotel tax) for 2007-08<sup>f</sup>: **\$65,000,000**

<sup>a</sup> "Assessment of Potential New Tax Measures Under the *City of Toronto Act*, 2006," Hemson Consulting Ltd., March 2007, [http://www.toronto.ca/finance/pdf/cota\\_revtoolsfinal.pdf](http://www.toronto.ca/finance/pdf/cota_revtoolsfinal.pdf), pg. 47.

<sup>b</sup> 2006 Population of the City of Toronto - 2,503,281, increased by the current annual population growth rate of 0.18% per year.

<sup>c</sup> January 1, 2007 population of the Province of Alberta – 3,435,511 increased by current annual population growth rate of 3%.

<sup>d</sup> Projected Alberta population for 2007 multiplied by per capita tax-take in Toronto.

<sup>e</sup> "Assessment of Potential New Tax Measures Under the *City of Toronto Act*, 2006," Hemson Consulting Ltd., March 2007, [http://www.toronto.ca/finance/pdf/cota\\_revtoolsfinal.pdf](http://www.toronto.ca/finance/pdf/cota_revtoolsfinal.pdf), pg. 145

<sup>f</sup> Government and Legislative Assembly Estimates 2007-08, Alberta Finance <http://www.finance.gov.ab.ca/publications/budget/estimates/est2007/finance.pdf> pg. 176.

**Tax rate assumptions:**

The Alberta government currently collects a 4% tourism levy (hotel room tax) on all hotel rooms rented in Alberta.

**Property Transfer Tax**

**Assumed tax rate: 1% of sale price of the property**

**Revenue Calculation:**

*Edmonton Real Estate Board* revenue estimate of a 1% tax on Alberta property sales<sup>g</sup>: **\$400,000,000**

**Tax rate assumptions:**

Calgary Alderman, President of the *Alberta Urban Municipalities Association*, and one of the four-member *Minister's Council on Municipal Sustainability* has publicly stated "the group (*Minister's Council*) proposed a tax of one per cent of the selling price of the home."<sup>h</sup>

**Vehicle Registration Tax**

**Assumed tax rate: \$75 per vehicle registered**

**Revenue Calculation:**

Number of vehicles registered in Alberta for fiscal year 2006-07<sup>i</sup>: 3,909,166

Projected total tax-take in Alberta<sup>j</sup>: **\$293,187,450**

**Tax rate assumptions:**

Currently no Alberta municipality has recommended a specific vehicle tax rate.

Current range of tax rate proposed by the City of Toronto: \$10 - \$80 per vehicle<sup>k</sup>.

Only other known proposal for a municipal vehicle registration tax in Canada was by the Greater Vancouver Transit Authority (TransLink) in 2000.

Proposed tax rate: \$75 per vehicle<sup>l</sup>.

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<sup>g</sup> "Property Transfer Tax will increase home prices," April 18, 2007, <http://www.ereb.com/PropertyTransferTax.html>.

<sup>h</sup> Hope, Marty. "Proposed land transfer tax would hit homebuyers," *Calgary Herald*, April 14, 2007, p. B3.

<sup>i</sup> Numbers provided by Alberta Government – Service Alberta, via e-mail correspondence, May 3, 2007.

<sup>j</sup> Total number of vehicles registered multiplied by \$75.

<sup>k</sup> "Assessment of Potential New Tax Measures Under the *City of Toronto Act*, 2006," Hemson Consulting Ltd., March 2007, [http://www.toronto.ca/finance/pdf/cota\\_revtoolsfinal.pdf](http://www.toronto.ca/finance/pdf/cota_revtoolsfinal.pdf), pg. 72

<sup>l</sup> Milke, Mark. "Axe the Auto Tax," Canadian Taxpayers Federation, May 23, 2000, [http://www.taxpayer.com/main/news.php?news\\_id=1637](http://www.taxpayer.com/main/news.php?news_id=1637).

US cities charging a vehicle registration tax<sup>m</sup>:

New York City - \$15 per vehicle

Chicago - \$75 per vehicle

Nashville - \$55 per private passenger, \$66 for commercial vehicles

Both the Vancouver area proposal and the current City of Chicago tax rate is \$75 per vehicle.  
City of Toronto upper range for tax rate of \$80.

## **Total average tax bill for Alberta family**

<b>Tax</b>	<b>Revenue</b>
Amusement Tax (ticket tax)	\$47,948,164
Tourism Tax (hotel tax)	\$65,000,000
Property Transfer Tax	\$400,000,000
Vehicle Registration Tax	\$293,187,450
<b>Total</b>	<b>\$806,135,614</b>

Projected Alberta population in 2007<sup>n</sup>: 3,538,576

Per-capita tax-take: \$227.81

**Yearly tax bill for an Alberta family of four<sup>o</sup>: \$911.25**

<sup>m</sup> "Assessment of Potential New Tax Measures Under the *City of Toronto Act*, 2006," Hemson Consulting Ltd., March 2007, [http://www.toronto.ca/finance/pdf/cota\\_revtoolsfinal.pdf](http://www.toronto.ca/finance/pdf/cota_revtoolsfinal.pdf), pg. 147

<sup>n</sup> January 1, 2007 population of the Province of Alberta – 3,435,511 increased by current annual population growth rate of 3%.

<sup>o</sup> Per-capita tax-take multiplied by four.