

## **COMMITTEE OF THE WHOLE - MARCH 22, 2004**

### **RESOLUTION – GAS TAX REBATE AND P.S.T.**

#### **Recommendation**

Councillor Sandra Yeung Racco recommends:

- 1) That Vaughan City Council supports the efforts being made by the Mayors of some of the larger Canadian cities to realize full municipal rebates of the GST, and a 5 cent per litre share of the Federal Gas Tax;
- 2) That a similar position be adopted by other municipalities with respect to PST;
- 3) That the City of Vaughan believes that a percentage of the revenues realized by the 8 percent PST, and 7 percent GST, imposed on goods and/or services in the various municipalities within the Province of Ontario, and collected and remitted by the organizations and businesses within said Province, be negotiated between representatives of all governments, and that the agreed upon figure be remitted by the organizations and businesses directly to the municipality based upon the time schedules now implemented, and
- 4) That this motion be forwarded to area municipalities, to AMO, to our local MP and MPP, and to the Mayor of Toronto.

#### **Purpose**

The mayors of larger cities are suggesting that a full rebate of the GST and a 5 cents a litre share of the Federal gas tax be made available to municipalities by the end of 2004. The City of Vaughan should recognize the importance of said issue and join the efforts of these municipalities.

#### **Background - Analysis and Options**

On January 26<sup>th</sup>, 2004, Sarnia City Council considered the above matter and adopted a similar resolution. It is important that new sources of funding be found to pay for municipal services. Municipalities should not continuously be expected to raise property taxes in order to meet their financial needs. Furthermore, while millions of dollars are removed from our communities through GST and PST assessments to flow to higher tiered governments, these governments expect still expect municipalities to finance handed-down services and associated costs.

#### **Relationship to Vaughan Vision 2007**

- 2.1.3 Develop appropriate funding strategies for long-term projects.
- 2.3.2 Evaluate/increase grants and subsidies from external agencies.
- 5.3.1 Coordinate strategies and priorities with the Region of York and other levels of government.
- 5.3.2 Establish a position of advocacy for Vaughan's priorities for other levels of government.

#### **Conclusion**

In order to maintain consistency with neighbouring municipalities, it is recommended that Council adopt the above resolution.

**Attachments**

1. City of Sarnia Resolution

**Report prepared by:**

Cindy Furfaro-Benning, Council Administrative Assistant

Respectfully submitted,

Sandra Yeung Racco  
Councillor, Ward 4

**CITY OF SARNIA**

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*005-04*

February 18, 2004

**ALL MUNICIPALITIES IN ONTARIO:**

**Re: Resolution – Gas Tax Rebate**

Sarnia City Council at its meeting held on January 26<sup>th</sup>, 2004, considered the above matter, and the following resolution was adopted:

*THAT Sarnia City Council supports the efforts being made by the Mayors of some of the larger Canadian cities to realize full municipal rebates of the GST, and a 5 cent per litre share of the Federal Gas Tax, and*

*THAT a similar position be adopted by other municipalities with respect to PST, and*

*THAT the City of Sarnia believes that a percentage of the revenues realized by the 8 percent PST, and 7 percent GST, imposed on goods and/or services in the various municipalities within the Province of Ontario, and collected and remitted by the organizations and businesses within said Province, be negotiated between representatives of all governments, and that the agreed upon figure be remitted by the organizations and businesses directly to the municipality based upon the time schedules now implemented, and*

*THAT this motion be forwarded to the usual municipalities, to AMO, to our local MP and MPP, and to the Mayor of Toronto.*

Background information on the resolution is attached.

Your favourable consideration of Council's resolution would be appreciated.

Yours truly,

Brian W. Knott  
City Solicitor/Clerk

c.c. Caroline DiCocco, MPP  
Roger Gallaway, MP  
AMO  
Mayor David Miller