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New transit tax system fairer to all

HALIFAX'S new transit tax system deserves praise for combining fairness, efficiency and flexibility.

Under the new assessment-based structure – if approved as part of the 2009-2010 budget – most property owners will actually see very little change in their overall tax bills.

The biggest difference will be felt by suburban property owners who have a bus stop close by, but were previously not paying any special area rate for that service. Under the new system, their access to transit will now be reflected in their tax bill – which certainly seems fair to us.

The argument some people make – that they don't personally use transit so they shouldn't have to pay for it – is unpersuasive.

Having a well-run transit system benefits everyone, whether or not they use buses or ferries. How? By reducing traffic, which lessens the need to widen or repair roads and which cuts back on vehicle emissions.

Taxpayers in the urban core now pay 13.1 cents per \$100 in assessment for transit services. Under the new system, most will be paying 13 cents – 2.2 cents in a general rate and 10.8 cents in a local rate, based on a bus stop being within three kilometres.

Rural/suburban property owners, meanwhile, now pay 4.5 cents per \$100 in assessment, except for ratepayers in three zones – Beaver Bank, Hammonds Plains and Porters Lake – who pay special area rates for transit services. Under the new tax system, all taxpayers with no nearby transit service will pay just 2.2 cents in a regional rate, while those who do have transit service within three kilometres will pay 13 cents altogether.

Overall, city officials say, the new tax structure will be essentially revenue neutral.

The big advantage of the new system is clearly in going forward. Instead of having to negotiate special area rates with individual communities for each new transit service outside the "urban" tax boundary, the new formula simplifies the process. In future, transit planners should be able to calculate the additional revenues brought in by any route expansions and, depending on operating costs, determine if the expense is justified.

In other words, expanding transit services, such as the successful MetroLink, would become easier. The new system should also be beneficial in rolling out the new Metro X rural transit service.

Transit users, who will be paying 12.5 per cent more in fares as of July 1 – the first increase in four years – will still be picking up about half the cost of the system.

The city's new transit tax structure is also welcome because it more directly links access to and paying for transit service. That's preferable to a system that's based on arbitrary municipal boundary lines.

Under the current system, for example, two homes of equivalent value, close to each other and to transit services – but on different sides of the urban/suburban line – can now get very different transit tax bills.

That doesn't make much sense. The new system, however, does.

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