



**MANITOBA ASSOCIATION OF COTTAGE OWNERS INC.
(M A C O)**

School Tax on Property 2008

Every Manitoban has the right to education. The responsibility for education rests with the province and should be financially supported by the province.

The following contains information from several websites –

letsplayfair.com (Property Taxes Q& A)

guswruck.com (Property Taxes)

rmalexander.com (Go to Educational Tax then Click on download)

> School taxes represent 53 per cent of all property taxes collected in Winnipeg. School boards control how much you pay and add it to your property tax bill. Your municipality then collects the taxes for them and must pay whether you pay your taxes or not.

> Over 1/3 of education funding comes from property taxes taken from residential, business and farmland. This does not put us in a favourable light when trying to attract new businesses or residents to our province.

> There are 38 school divisions with a school board, which raises property taxes at its own discretion. That means 38 different tax rates can be imposed. You may have a higher school tax than your neighbour who has the same house simply because the school division boundary changes in the middle of your street. It's inconsistent and unfair.

> Everyone will gain when education tax is removed from property. The owner of an average home in Winnipeg will see their tax bill reduced by \$1,000 or more. That money will be spent in other ways, helping put money back into the local economy. The Manitoba government will reap increased revenues from sales tax and income tax at the same time.

> provinces that have eliminated education tax have continued their commitment to education and have found other ways to fund education.

> The Manitoba Education Financing Coalition (Let's Pay Fair. Com), which supports removing education tax from property, expects the province to make education a commitment and fund it properly from general revenues. The government's practice of adding more and more responsibilities on schools - such as social services - without matching grants to support those new initiatives, is unfair. Education is a core service and should be properly funded from general revenues.

> Farmers can now apply for a 60 per cent rebate on the education taxes they pay on farmland, but not on production buildings such as barns. Until the rebate was put in place, farmers were paying up to eight times as much in education taxes as their non-farming neighbours and shouldering more than their fair share. The rebate program doesn't solve the problem. Farmers want government to remove education taxes from all property, including farmland and production buildings.

> The tax framework in Manitoba is not conducive to creating a strong business climate. Manitoba business taxes put Manitoba in an uncompetitive position when compared with businesses in other provinces. Education taxes on property make up a significant portion. If we want to live in a province that attracts new business, investment and people, we must create a tax climate that allows business to make decisions that will accomplish this.

> The NDP removed a minor amount when they removed the levy. Have you gained anything when School Boards increase taxes?

> Seniors/retirees may have homes that continue to increase in value thus increasing taxes. Will they be able to keep this asset as expenses increase?

> The Department of Education sets curriculum but does not fund education in full. Schools in regional or poorer areas of Winnipeg and other cities may not be funded as well by property tax as those in more affluent areas. All Manitobans are entitled to education. Shouldn't this be funded in full from General Revenue?

> If government doesn't have to account for all education costs – where does this fall into the question of a balanced budget?

> Cottage owners have the right to vote in municipal elections to elect reeve and councillors in their cottage area. They do not have the right to vote for school trustees who have the right to tax them. Is this not taxation without representation?

The following is a sample comparison of different properties prepared by the RM of Alexander and contained on their website.

	Residential	Agricultural/ (No residence)	Cottage	Commercial/ Industrial
Assessed Value	\$100,000.	\$100,000.	\$100,000.	\$100,000.
Apportioned percentage	45%	24%	45%	65%
Taxable assessed value	45,000.	24,000.	45,000.	65,000.
School rate average 22 mills	990.	528.	990.	1,430.
School special levy 16 mills	0.	0.	0.	336.
General Municipal rate 14 mills	630.	336.	630.	910.
TOTAL	1,620.	864.	1,620.	3,380.
Education Tax Rebate	525.	561.60 (65% rebate)	0.	0.
Total payable	1,095.	302.40	1,620.	3,380.