

# Postal code wrong way to levy tax

By: Lorne Weiss

The Manitoba government likes to remind us that when it comes to taxes, there is only "one taxpayer."

Actually, when it comes to education, that "one taxpayer" can often feel like he was born a triplet.

The Manitoba government's "one taxpayer" pays for education through income tax. If he or she owns a home, he pays for education again on property taxes. And if he or she owns or inherited a cottage, she pays for education tax again. Or maybe he or she invested in property (rather than stocks or bonds) -- so our "one taxpayer" pays again. When it comes to education, it would be nice if there were indeed "one taxpayer." In fact, that's what many are advocating. Let's pay for education like we do health -- another core service that we all need and we all value. Let's pay for it through the far more equitable income tax and get education tax off property.

If the government believes there is "one taxpayer" then it implies it understands there is a responsibility to ensure that all taxpayers participate fully in the cost of education, not just property owners.

Instead, the government has created a very convoluted education-tax formula that it appears only the Winnipeg Free Press education reporter Nick Martin has the courage to untangle for readers every year, as he did March 16 (Put through the mill).

Depending on whose figures you use, between 35 and 40 per cent of the cost of education in Manitoba is funded through property taxes, based on mill rates established by the trustees of the local school district.

This is unlike other provincial services, such as health care, that are funded through general revenue collected from income taxes based on financial criteria that are the same across the province.

In some areas of the province the education tax on property (like cottage properties) can make up 80 per cent of the property tax bill. To make matters worse, if the "one taxpayer's" second property is located outside of the school district in which the property owner has a principal residence, they do not have the right to vote for the trustees who set the tax rate. It's taxation without representation.

If another Manitoban chooses not to buy property but invest in stocks, bonds or cash in the bank, they only pay income tax on the increased value, and nothing toward the portion of education costs. Why the Manitoba government chooses not to capture that through income tax is confounding.

Manitobans are reaching a tipping point, where the increasing costs of home ownership or the challenge of holding on to the family cottage are no longer manageable for many

families. It is time for the province to assume its rightful responsibility to fund education through general revenue, as it rightfully does for other core services. It's time to really commit to the "one taxpayer" mantra.

A good first step should be to eliminate the school tax mill rates being set by the school trustees in each division. Replacing it with a single mill rate for the entire province could ultimately lead to funding education as it should be: from general revenue. This would ensure all of Manitoba's students have access to the same quality of education, regardless of where they live or the size of the tax base in their school district. All Manitobans who pay for education on their property tax bill would then have the right to vote for the officials who set those taxes.

This would also eliminate the need for the property tax credit rebate system that is being used as a bank account by school boards and is counted as a portion of the province's contribution to the cost of education.

Our children and our "one taxpayer" deserve an education system that is transparent, fair and provides the best opportunities for education to all Manitoba children, regardless of their postal code.

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*Republished from the Winnipeg Free Press print edition March 19, 2013 A11*