

Report to: General Committee

Date of Meeting: June 19, 2006

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**SUBJECT:** Fee Bylaw Amendments for GST Reduction  
**PREPARED BY:** Barb Cribbett, Treasurer

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**RECOMMENDATION:**

THAT fees included in By-Law 2002-276 "Fee By-Law" that include GST (Goods and Services Tax), be adjusted by removing the GST and rounding to the nearest dollar.

THAT all references to "Plus 7% GST" in By-Law 2002-276 be amended to read "Plus applicable GST".

AND THAT staff be directed to make all minor amendments required to bring By-Law 2002-276 into compliance with the reduced GST and bring the amended By-Law to the June 27, 2006 Council Meeting

**PURPOSE:**

The purpose of this report is to obtain Council's approval to amend By-law #2002-276 to reflect the reduction of the Goods and Services Tax (GST) approved in the recent Federal Budget, as of July 1, 2006.

**BACKGROUND:**

On May 2, 2006, the Federal Government presented a federal budget that included a one-point reduction to the GST, effective July 1, 2006. As a result, it is necessary to amend the Town of Markham's Fee By-Law (2002-276) to reflect the reduced GST.

By-Law 2002-276 includes Town of Markham fees that are not subject to GST (e.g. tax certificates, birth and burial certificates etc.) as well as fees that are subject to GST (e.g. Hall rentals, recreation programs etc).

**OPTIONS/ DISCUSSION:**

For those fees in the By-Law that are subject to GST, some are shown as "GST included" and other are shown as "Excluding GST". Other fees are shown as "Add 7% GST To All Fees". The inconsistency in the wordings and manner in which fees are shown in the By-Law makes it difficult to apply one amendment to all fees to reflect the reduction in the GST.

The cost reduction to a customer resulting from a 1% reduction in the GST (from 7% to 6%) is equal to 0.9345%. In order to achieve consistency in the Fee By-law, staff recommends that fees in the By-law be recorded excluding GST. For example, a current fee for \$50.00 "GST Included" would be reduced to \$46.72, rounded to 47.00 with GST excluded.

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The majority of Recreation program fees are shown in the By-law as "excluding GST", and therefore will not require any adjustments. Ice Rates, Soccer Fees and Recreational Swim/pool passes include GST and therefore will require adjustments.

**FINANCIAL CONSIDERATIONS:**

There should be no major financial impact to the Town as a result of the amendment and rounding of fees that currently include GST in the by-law.

**FINANCIAL TEMPLATE:**

[Insert text here]

**ENVIRONMENTAL CONSIDERATIONS:**

[Insert text here or delete section]

**ACCESSIBILITY CONSIDERATIONS:**

[Insert text here or delete section]

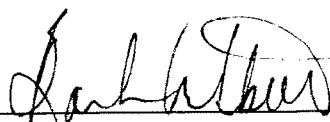
**ENGAGE 21<sup>ST</sup> CONSIDERATIONS:**

[Insert text here or delete section]

**BUSINESS UNITS CONSULTED AND AFFECTED:**

[Insert text here or delete section]

**RECOMMENDED  
BY:**

  
Barb Cribbett, Treasurer

  
Andy Taylor, Commissioner,  
Corporate Services

**ATTACHMENTS:**

Current By-Law 2002-276