

Tofino Ratepayers Association



June 19, 2024

THE TAX FACTS

It's Tax Time so I thought I would add a little perspective to the numbers on your most recent Tax Notice.

Your taxes are likely up, to no one's surprise. Most will see increased Tax rates against assessment for Municipal, Regional District, School etc. Many will see increased Property Assessment values as well. You may find it interesting to compare how much you are paying to the DOT compared to what was paid historically. We will get to that.

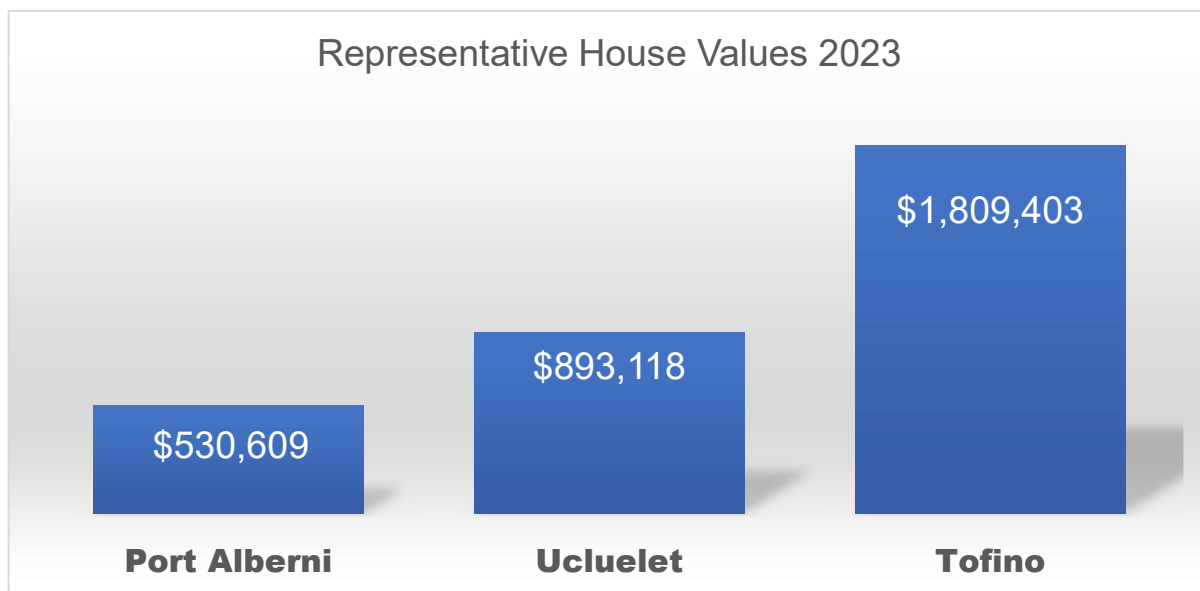
But first let's look at how we stack up this year against our regional neighbors. Specifically, Ucluelet and Port Alberni. This is particularly useful because we are all in the same Regional District (Alberni Clayoquot) and School Board (School District 70) The information comes from a BC Government website [Municipal tax rates and tax burden - Province of British Columbia \(gov.bc.ca\)](https://www2.gov.bc.ca/gov/content/tax/municipal_tax_rates_and_tax_burden_province_of_british_columbia). (The most recent information includes annual reports to 2023.)

Apart from your Tofino taxes going up relative to years past, as you might expect, it is clear we are paying increasing portions of the Regional District and School District taxes as well, thanks to our skyrocketing assessed values compared to our neighbours. Graphs below.

Let me explain the "representative house". The provincial government determines what the representative house is for each municipal area. Consider it as the typical or average house for a municipal area.....Tofino houses obviously have higher assessments than the rest of the region. Simple sales figures confirm that truth. Our Tofino Representative house comes in at a whopping \$1,809,403 for the 2023 year. We are not picking and choosing. The province publishes this information annually for municipalities across the province and can be found in the above-mentioned website.

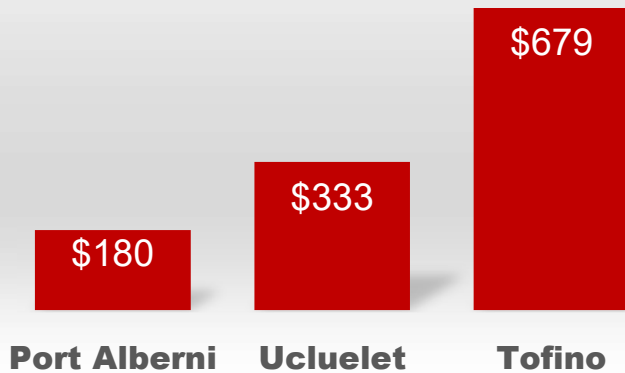
The average house in Tofino may be biggerConsider more secondary suites and cottages for VR purposes... Got to pay them taxes.....But consider as well, that some houses in Tofino were "assessed" at higher values simply because they were "deemed suitable" or "more attractive for VR purposes", whether they were engaged in VR activity or not. This comes directly from a conversation with BC Assessment. So, the level of VR activity is lifting all boats in terms of driving higher assessed values in Tofino..... and higher taxes.

Data in Graphs below straight from the BC Gov website

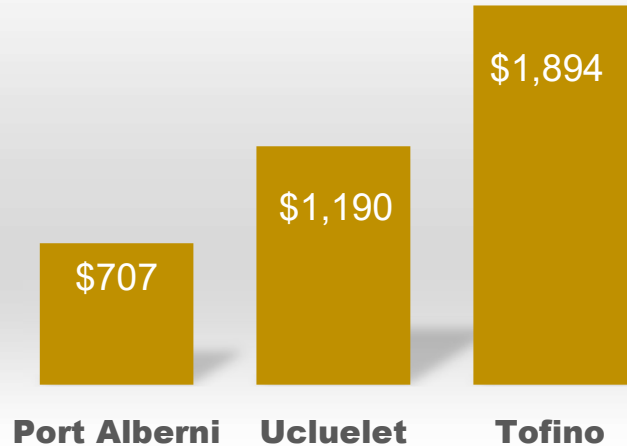




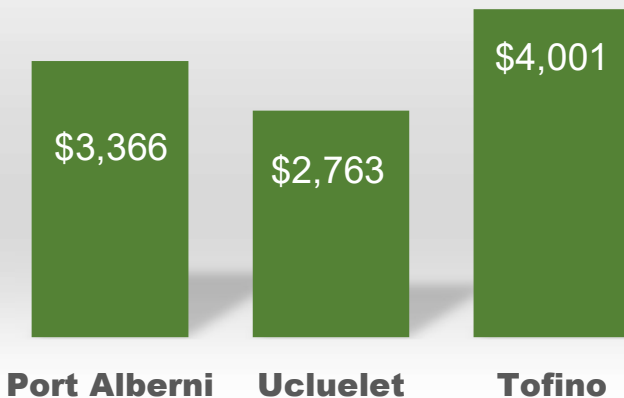
Regional District (ACRD) Taxes
for the Representative House
2023



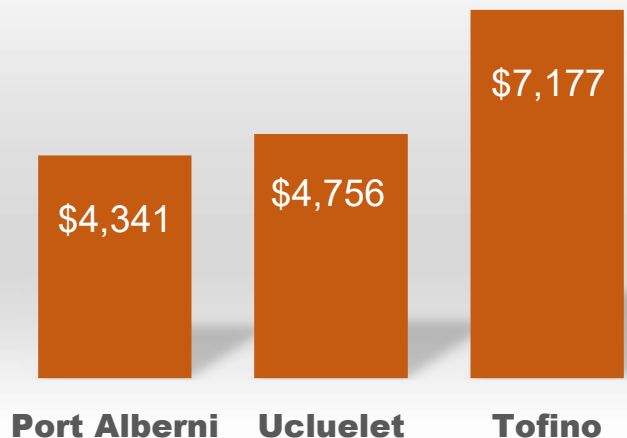
School Taxes for the
Representative House 2023



General Municipal Taxes paid to
the Municipality by
Representative House 2023



Total Property Taxes for the
Representative House 2023

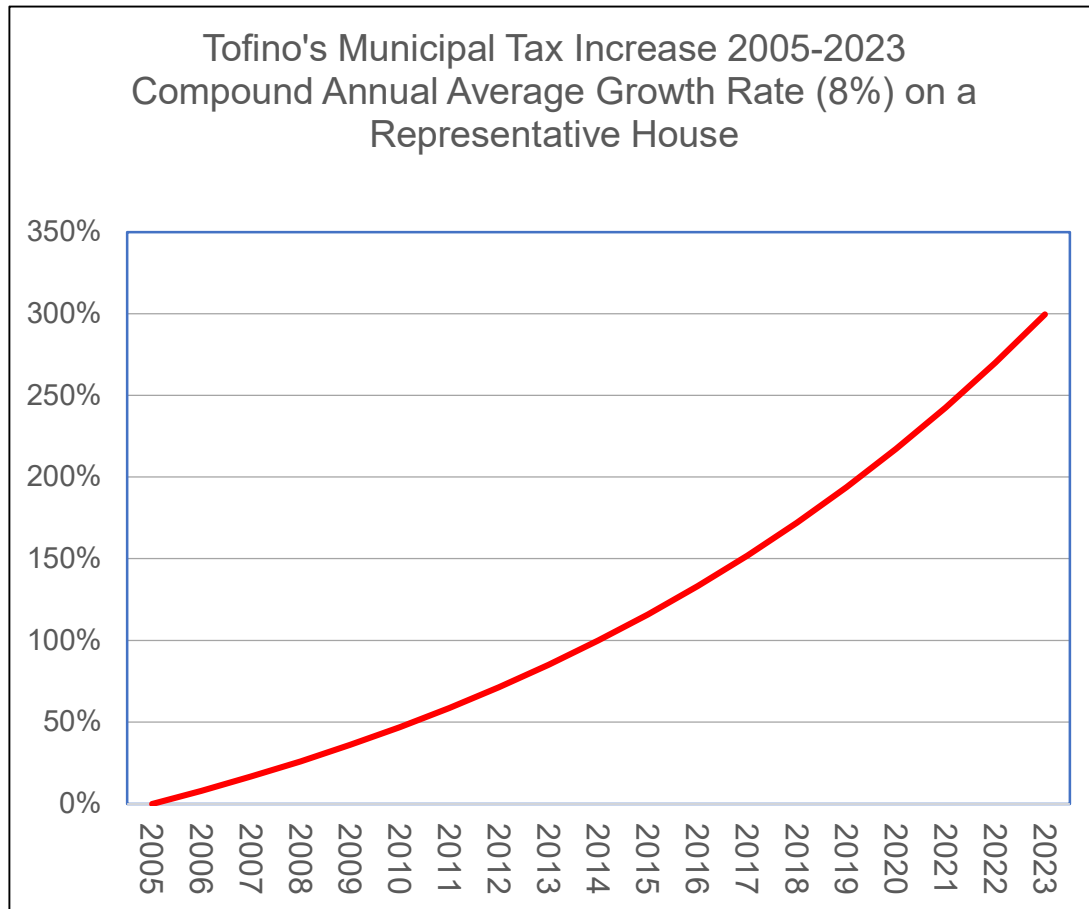


Tofino is unique in another regard. The total assessed value for commercial property in Tofino is almost identical to total assessed value for residential property in Tofino. In most municipalities, the total assessed value for residential property is many times (3, 4, 5, 6 times) the total assessed value for commercial property. A small tax increase in residential taxes results in larger gains for most municipalities because it is spread across a large number of residential contributors, whereas in Tofino a tax increase is shared by relatively fewer residential contributors. The tax base in almost all communities is driven by relatively very large pools of housing and the average tax costs per dwelling is kept in check by sheer volume of contributors.....Tofino does not have that luxury. A very small pool of dwellings is saddled with a much larger relative tax burden. Again, we are outside the norm.

Tofino Ratepayers Association



So how are we doing historically? The Tofino Ratepayers did some early work and graphed Average Annual Compound Growth Rate of Municipal tax increases for the “Representative House”. The original graph displayed Municipal Taxes increasing at the average rate of 7.5% per annum (2005-2018) and projected it 5 years into the future. At the time some were in shock and contended “that can’t be right”. With the most current data added to our previous information we were off a bit..... The prediction of future rates of taxation based on past history was too low. What actually happened, including the last 5 years, pushed us closer to an 8% per annum average. 18 years of 8% average annual compound increases is devastating for long term residency. This does not include the taxes for School District and Regional District etc. of which we (Tofino) are paying an ever-increasing portion of.



Coming soon, a discussion of housing issues.....we will wade into the current Vacation Rental controversy and related matters.

We also invite members and others who want to support or share in this project to let us know. We can always use extra help, and different points of view. Contact via email. Your comments are always welcome.

Cheers Jack Gillie