



AB FACT SHEET

April 2004

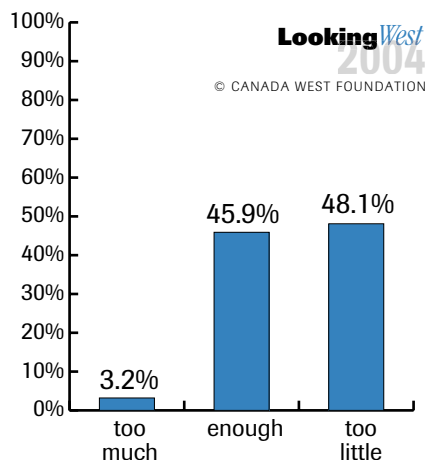
Urban Finance

Looking West 2004 survey respondents were asked three questions about municipal government finance. In the survey, municipal government was described as “your local city, town or rural district government.”

First, respondents were asked, “Do you feel that your local government has enough, too much, or too little revenue to fulfill its current responsibilities?” This question was replicated from the Looking West 2003 survey. The plurality of Albertans feels that their local government has too little revenue, while less than 5% feel their local government has too much revenue. Albertans’ attitudes are quite consistent: in 2003, 47.7% of respondents stated that their local government has insufficient revenues. Rural Albertans (53.7%) and Calgarians (49.5%) are the most likely to state that their local government has too little revenue.

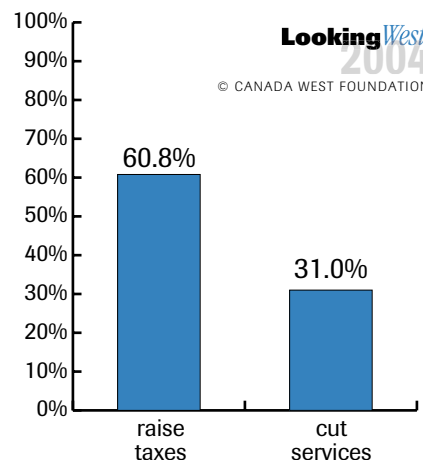
Looking West respondents were also asked, “Municipal governments typically provide services like police, fire, water treatment, transit, recreation, and building and maintaining roads and other local infrastructure. If your local government were faced with the choice of either increasing its revenues by raising taxes or decreasing expenditures by cutting services, which would you prefer? Raise local taxes in order to increase revenues; cut local services in order to reduce expenditures.” Albertans prefer the idea of higher local taxes over the idea of reduced local services by a factor of two-to-one.

Figure 1:
Local Government Revenue to Fulfill Responsibilities -
AB Respondents



Do you feel that your local government has enough, too much, or too little revenue to fulfill its current responsibilities?

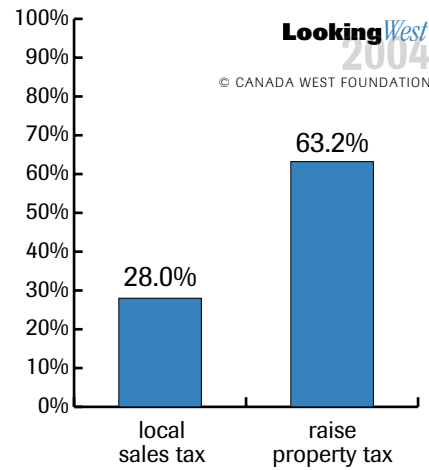
Figure 2:
Raise Local Taxes Versus Cut Local Services -
AB Respondents



Municipal governments typically provide services like police, fire, water treatment, transit, recreation, and building and maintaining roads and other local infrastructure. If your local government were faced with the choice of either increasing its revenues by raising taxes or decreasing expenditures by cutting services, which would you prefer? Raise local taxes in order to increase revenues; cut local services in order to reduce expenditures.

The last urban finance question looked at tax increases. Respondents were asked, "Imagine that your local government must increase its tax revenues. Which of the following two options would you prefer? Significantly decrease local property tax levels and introduce a local sales tax; significantly increase local property tax levels and do not introduce a local sales tax." The almost two-thirds of Albertans prefers the idea of raising local property tax levels, while only three in ten favor significantly decreasing local property tax levels and introducing a local sales tax.

Figure 3:
Raise Local Property Tax Versus Introduce Local Sales Tax -
AB Respondents



Imagine that your local government must increase its tax revenues. Which of the following two options would you prefer? Significantly decrease local property tax levels and introduce a local sales tax; significantly increase local property tax levels and do not introduce a local sales tax.



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