



SK FACT SHEET

April 2004

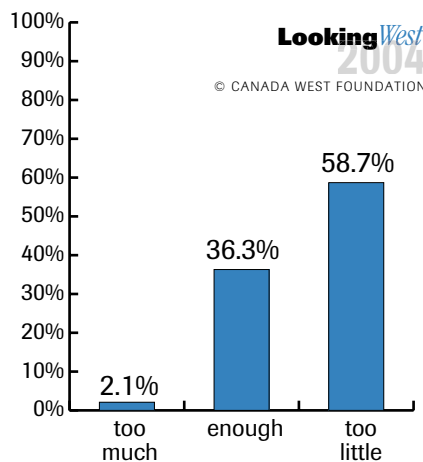
Urban Finance

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 majority of Saskatchewan respondents feels that their local government has too little revenue, while less than 3% feel their local government has too much revenue. It is interesting to note the rising numbers of Saskatchewan respondents who feel their local government’s revenues are insufficient. In 2003, this was the position of only 51.4% of respondents; by 2004, this had increased by seven percentage points – a considerable jump.

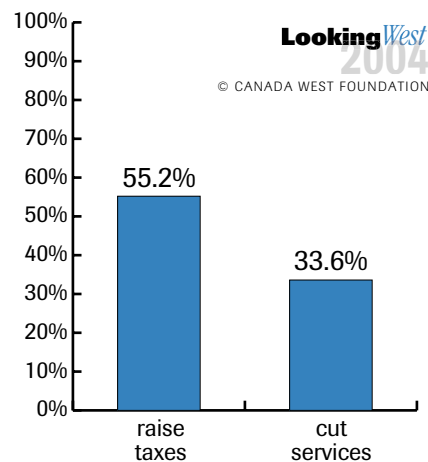
Looking West respondents were also asked, “Municipal governments typically provide services like police, fire, water treatment, transit, recreation, and building and maintaining roads and other local infrastructure. If your local government were faced with the choice of either increasing its revenues 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.” Saskatchewan respondents prefer the idea of higher local taxes over the idea of reduced local services by a factor of almost two-to-one.

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



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

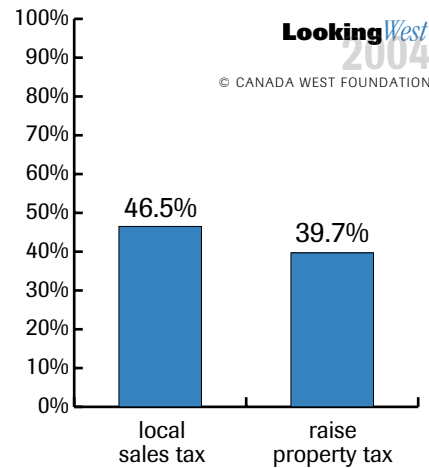
Figure 2:
Raise Local Taxes Versus Cut Local Services -
SK Respondents



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 plurality of Saskatchewan respondents prefers the idea of significantly decreasing local property tax levels and introducing a local sales tax, while four in ten favor raising the local property tax over new sales taxes.

Figure 3:
Raise Local Property Tax Versus Introduce Local Sales Tax - SK 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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