



## What? No tax revolt?

**Written by Heather Douglas, President & CEO**  
**As published in the *Calgary Sun*, Thursday, November 19, 2009**

Blame the pharaohs for the occasional tax revolt that unhappy citizens pursue.

Although the truth is buried in the mists of prehistoric Egypt, Horus Ka, a king in about 3000 BC, is credited with levying the first taxes on his people.

According to ancient papyrus records, every six months the royal retinue would travel along the Nile to collect one-fifth of the food and animals raised by the inhabitants.

These taxes fed the pharaoh's army, family and herds. They also allowed his noble household to survive and flourish, despite seasonal floods and famines.

Subsequent rulers added increasingly complicated regulations about what was taxable, how much could be levied and when extra tariffs and duties should be decreed to nicely supplement the imperial treasuries.

Tax revolts were ruthlessly suppressed.

Today, modern officials no longer collect a portion of the harvests, gardens or family pets to ensure prosperity for the next year. Nor do they traverse the Bow River to fill municipal coffers.

Tax rules remain complex and opaque.

Calgary city hall continues to debate how much more money every taxpayer and business should shell out to meet the 2010 budget. Council's challenge is to judiciously raise tax rates high enough to pay the bills while keeping the total sum modest enough to prevent a taxpayer revolt.

City hall knows citizens and companies are willing to pay for police, firefighters, transit, new roads, upgraded public utilities, garbage collection, snow removal and the odd civic celebration if our athletes win the ultimate cup at season's end.

Calgarians also recognize the city has enjoyed a decade of unprecedented growth to its taxpayer base, as people moved here from across Canada and around the world to share in the energy boom.

However, times have changed. Last fall, the city's unemployment rate doubled (from 3.4% to nearly 7%, about 18,000 lost jobs) and real GDP growth plummeted (from 0.4% to about -2.5%).

Calgarians are struggling as individuals and business owners.

Although council believes Calgarians generally accept tax increases without much fight, it is making a pre-emptive effort to prevent any mutterings turning into an uprising.

Ever eager to act as mediator, the Calgary Chamber of Commerce urges council to include these six recommendations in its 2010 budget:



1. Commission a priority study to determine core and discretionary services and prioritize core spending when setting the budget.
2. Limit annual spending increases to within a smart spending bandwidth (between population growth plus inflation and real GDP growth plus inflation). For 2010 this is between 2% and 3.4% -- requiring a reduction from the city's 3.6% forecast.
3. Introduce competition into service delivery (solid waste management, trash collection, pools, recreation centres and golf courses) to lower costs, improve services and encourage innovation.
4. Improve the municipal tax system by decreasing the ratio of taxes paid by business versus residents from 57.5% to 50% by 2015, harmonizing business and non-residential property taxes and telling Calgarians the true costs of services and the tax burden on businesses and residents.
5. Change from a three-year binding budget to a three-year rolling budget to better respond to economic conditions.
6. Strengthen the role of the city auditor to making the audit plan, budget, reporting and appointment conditions more independent of council.

Although tax revolts seldom happen in progressive cities like Calgary, occasionally a group of unhappy, but highly-organized taxpayers do band together to impose their will on those who hold power.

Blame it on the pharaohs.