




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	June 30, 2023
SUBJECT:	Review of written correspondence on the Request for Real & True Inclusion of Harmonized Tax (HST) in Existing Taxi Tariff (Appendix 1) of the Hamilton By-Laws 07-170 (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Monica Ciriello Director, Licensing & By-Law Services Planning and Economic Development Department
SIGNATURE:	

The purpose of this Communications Update is to provide the Mayor and members of Council with a staff review of written correspondence received at the Council meeting on April 26, 2023 regarding a Request for Real & True Inclusion of Harmonized Tax (HST) in Existing Taxi Tariff (Appendix 1) of the Hamilton Business Licensing By-Law 07-170 (“Licensing By-law”). The correspondence raised questions as whether Schedule 25, Appendix 1 of the Licensing By-law which outlines the approved rates for taxi fares and HST is in compliance with legislation. Staff are satisfied that Schedule 25; Appendix 1 is in compliance with the legislation HST requirements. Staff reviewed Schedule 25, Appendix 1 of the Licensing By-law which outlines the approved rates for taxi fares and HST and concluded that this section of the Licensing By-law is in compliance with HST requirements. No further staff action is required.

Appendix 1 was last amended as part of report PED22105 on April 27, 2022. The amendment was proposed by staff following a best practice review and consultation with the taxi industry, to increase of the “drop rate” or “starting rate” from \$3.90 to \$4.90 for the first 71.4 meters or part thereof of a trip.

Licensing Staff consulted with Accounting Services to ensure the municipality was accurately applying the HST within Appendix 1. Under a review of the *Excise Tax Act*, and the Canada Revenue Agency on *Basic HST information for Taxi and Limo Drivers* fares charged by taxi operators and commercial ride-share drivers is subject to HST. The fare can be HST included or subject to HST.

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The review confirms the municipality *may* require the inclusion of the HST within the approved taxi fares. The City of Hamilton explicitly provides under Appendix 1 that HST is included. The purpose of this approach is to provide transparency to the driver and the consumer, allowing the taxi meter to reflect what the consumer pays.

The written correspondence raised concerns with calculation of the HST for each additional 55.6 meters or part thereof of a trip, suggesting that taxi drivers have been losing an additional 8% compensation due to the inclusion of tax listed in Appendix 1 and tariffs cards. The correspondence requests that Appendix 1 be amended that the fee for each additional 55.6 meters or part thereof be increased with the additional 8% that has been added through HST.

It is the obligation of the Brokerage in which the taxi drives to be responsible to separate out the HST from the fare and ensure appropriate payment to the driver as part of their standard business operations. Staff are satisfied that Schedule 25; Appendix 1 is in compliance with the legislation HST requirements. This information has been previously shared with the author of the written correspondence.

If you have any questions regarding this communication, please contact Monica Ciriello, Director, Licensing & By-law Services at (905) 546-2424 Ext. 5809 or by email at Monica.Ciriello@hamilton.ca.

APPENDICES AND SCHEDULES ATTACHED

N/A