



April 25, 2005

Mr. Trevor Day
Clerk
Standing Committee on Estimates
Ontario Legislature
Room 1405, Whitney Block
Queen's Park
Toronto, Ontario
M7A 1A2

**RE: Ontario Professional Planners Institute Submission
Bill 137 – An Act to amend the Income Tax Act to provide for a tax credit for expenses incurred
in using public transit**

Dear Minister:

We are very pleased to provide this submission on the proposed Bill 137 – *An Act to amend the Income Tax Act to provide for a tax credit for expenses incurred in using public transit.*

The Ontario Professional Planners Institute (OPPI) represents Ontario's professional planning community, and is the only organization that brings all Ontario planners together. OPPI has some 2,600 members. They include both public and private sector municipal, land use, environmental and transportation planners. Our members are active in formulating the land use and environmental policies and decisions that shape the land use fabric in Ontario.

An objective of OPPI is to improve the quality of the Ontario environment and communities by the application of sound planning principles. Many of our members are involved in the planning and assessment of transportation and other infrastructure projects in Ontario.

Bill 137 proposes to amend the Income Tax Act by allowing taxpayers to claim a non-refundable income tax credit for expenses they incur and pay for using public transit. This would have the effect of reducing travellers' costs of using public transit. In doing so, it would make the costs of travel by transit much closer to those of travelling by automobile (in particular, since transit use would receive similar tax treatment to that of employer-provided parking).

The net expected result, as demonstrated by experience in the United States with similar legislation, is that drivers would leave their automobiles at home and use transit instead for their daily commute to work. In the United States, increases upwards of 20 – 30% in new transit ridership have been recorded.

OPPI wishes to express its support for Bill 137, for several reasons:

- The proposed tax credit for using public transit represents a proven and effective measure that is necessary to retain existing transit riders, attract new transit riders and promote a more level playing field between automobiles and transit.

- The expected resultant increase in transit ridership supports and is consistent with the basis of Official Plans in many of the Province's cities. In these plans, transit is promoted as the key alternative to driving in order to improve the efficiency of existing urban development and conserve the consumption of greenfields for new development. Transit achieves this by reducing the demand for 'paved' areas – space allocated to new roads and to parking – and by increasing the overall accessibility of individual properties, making them more valuable for high-density, mixed-use development (which in turn is a more efficient use of land and generally attracts more transit riders). It is noted that these Official Plans must receive MMAH approval to receive status, meaning in effect *de jure* recognition and *de facto* support for measures that increase the use of transit.
- Increased transit demand improves the cost-effectiveness of providing transit services: as revenues increase, unit costs decrease. In turn, this reduces the public expenditure that is required to support transit.
- By reducing the number of automobiles on the road during peak travel times, the resultant increased transit ridership will help reduce congestion. Recent research in Toronto, Ottawa, Hamilton and other Canadian cities has shown that the costs of congestion are substantial. They include the value of time lost to delay (which is translated into lost productivity and increased costs of consumer goods) and vehicle operating costs (wasted fuel and increased vehicle wear-and-tear).
- Related to the preceding benefit is the recognition that the removal from the roads of those drivers who do have the choice to use transit improves operating conditions and reduces costs for those who do not have the choice; i.e., for trucks. In addition to the aforementioned benefits, the reduced congestion times improve the reliability of 'on-time' deliveries – something that, in a recent MTO study of goods movement in Central Ontario, our industries have identified as vital to their viability and development and to the Province's overall competitiveness.
- Reductions in congestion, and in the numbers of automobiles on the roads generally, result in reduced emissions of air pollutants (the basis of smog) and of greenhouse gases. Because smog and poor air quality have been linked with increased incidents of childhood asthma and other health problems, the ensuing reductions in turn would reduce the costs of health care and lost productivity (in addition to improving the quality of urban life and promoting healthy communities).

We appreciate this opportunity to indicate our support for this critical issue, which has the potential to benefit planning, human health and the environment while reducing public outlays of money for transportation infrastructure in Ontario. OPPI extends the offer to meet with representatives of the Legislative Assembly to discuss further our submission.

In the meantime, if you have any questions, please contact Loretta Ryan, MCIP, RPP, Manager, Policy and Communications at 416-483-1873, ex. 26.

Yours truly,

Gregory Daly, MCIP, RPP
Director of Policy Development

Copy:
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