

PANDEMIC-RELATED PROPERTY ASSESSMENT & TAX POLICIES



WLA



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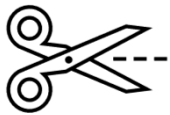
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OVERVIEW



BUSINESS EDUCATION TAX REDUCTIONS

Uniform Rate

Impact on C&I Property
Taxes

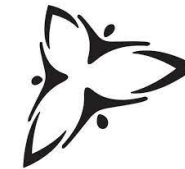


SMALL BUSINESS SUBCLASS

Policy Drivers

What is “Small Business”?

Municipal Reaction



PROPERTY ASSESSMENT AND TAXATION REVIEW

Initiated during the
pandemic

3 broad themes

Phased implementation



Business Education Tax (BET) Reductions

- Announced by the Province in its November 2020 Economic Statement
- Uniform Commercial and Industrial BET (0.88%) starting in 2021.
 - For many businesses, 30% reduction in education taxes
 - Overall reduction – up to 12% of total property tax bill
 - Does not apply to PIL properties
- 40 municipalities where BET rates are lower are not increased
- Residential tax rates have been uniform since 1998



Small Business Subclass

OVERVIEW

- Announced by the Province in its November 2020 Economic Statement
- Municipal options
 - Eligibility criteria and rate reduction (up to 35%) is established by the municipality
- Program is administered entirely by the municipality
- Program is funded within the tax base

WHAT IS “SMALL BUSINESS”?

Key Considerations

- Type of Business
- Total Revenues
- Number of Employees or Locations
- Access to Credit
- Physical size (GFA)
- Ownership Model (i.e., independent business, franchise, self-employment)

MPAC Available Data:

- Property based:
 - Property Code
 - Property Site Area
 - Property Gross Floor Area
 - Owner Information
 - Current Value Assessment

DECISIONS MADE BY SELECTED MUNICIPALITIES



Ottawa
Toronto



Durham Region
London
Niagara Region
Oxford County
Peel Region



Dufferin County
Hamilton
Halton Region
Waterloo Region
Windsor
York Region

SMALL BUSINESS SUBCLASS – OTTAWA PROGRAM

ELIGIBILITY CRITERIA

- Based on property tax class, property size, and property code.
 - Classified in Commercial or Industrial property classes; includes New Construction
 - Qualifying uses based on MPAC Property Codes (see Schedule A of [By-law](#)).
 - Assessed square footage is 25,000 SF or less.
 - Total # of qualifying properties = 5,800 affecting 10,000 small businesses

TAX REDUCTION

- 15% reduction in property taxes phased in over two years; Province will match the 15% reduction for the education tax portion.

HOW FUNDED?

- Commercial and Industrial Excess Land Property Tax Subclass discount will be phased out equally over two years starting in the 2022 taxation year and
- Slight increase (1.62%) for commercial and industrial properties don't qualify for Subclass

SMALL BUSINESS SUBCLASS – TORONTO PROGRAM

ELIGIBILITY CRITERIA

- Classified in Commercial property class; includes New Construction AND
 - CVA is less than \$1M OR all the following criteria are met:
 - Property is in Downtown and Central Waterfront, Growth Centres and/or Avenues AND
 - Site area is 7500 SF or less or GFA is 2500 SF or less AND
 - CVA is \$7M or less.
- Total # of qualifying businesses = 25,000
- Eligibility criteria may be enhanced in 2023.

TAX REDUCTION

- 15% reduction in property taxes starting in 2022, including education portion of tax bill.

HOW FUNDED?

- Subclass reduction will be fully funded by the other properties in the Commercial class
- Includes elimination of graduated tax rates



Property Assessment and Taxation Review

3 broad themes:

- Supporting a competitive business environment
- Improve accuracy and stability of property assessments; and
- Strengthen governance and accountability of MPAC

Phased implementation

- 2021 - BET reductions, Small Business Subclass, enhanced Brownfield Financial Tax Incentive Program (BFTIP) and tax programs for farm businesses
- 2021-2023 - Postponement of reassessment



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