

Update

Property Tax

July 16, 2009

Tax Changes in 2009

Recent changes to Provincial legislation have given municipalities in Ontario the option to pass a by-law that would remove the capping protection available to Commercial, Industrial and Multi-Residential properties once those properties have reached their CVA Taxes (assessment x tax rate without adjustment) in a prior year. The by-law would also remove the clawback provisions that such properties would otherwise have been subject to. Therefore properties that may have received capping protection or clawbacks of tax decreases in the past may find that in 2009, they are being taxed at their CVA Taxes. Some municipalities have adopted such by-laws, resulting in unanticipated increases (and decreases) in property taxes. Additionally, as a result of these changes, the format of property tax bills for 2009 may be different than it has been in the past and may no longer show a comparison between current year and prior year's taxes.

Although the list below is not exhaustive, we are aware of the following municipalities that have adopted, or will be adopting, the option to remove the capping protection and eliminate clawbacks for properties that have been taxed at their CVA Taxes in the prior year*:

1. City of Toronto

2. Regional Municipality of Halton (including Oakville, Halton Hills, Burlington and Milton)
3. York Region (including Aurora, East Gwillimbury, Georgina, King, Markham, Newmarket, Richmond Hill, Vaughan and Whitchurch-Stouffville)
4. City of Ottawa
5. City of St. Catharines
6. United Counties of Prescott and Russell (including Township of Alfred and Plantagenet, Village of Casselman, Township of Champlain, City of Clarence-Rockland, Town of Hawkesbury, Township of East Hawkesbury, Municipality of The Nation and Township of Russell)

* Please note that this information is based on research that may have been updated since the information was collected. We advise you to contact your local municipal office for up-to-date detailed information about the by-laws regulating the property taxes for Commercial, Industrial and Multi-Residential properties.

If you have any questions with respect to the new legislation, please do not hesitate to contact any member of our Property Tax Group:

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