

Goodmans^{LLP} Update

Barristers & Solicitors

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Property Tax

January 2005

- Assessment Appeals for 2005
- Rebate Applications for 2004
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Assessments Appeals for 2005

The annual assessment update of all properties in Ontario was cancelled for the 2005 taxation year. As a result, the assessment used for 2004 taxation will also be used for 2005 taxation. Only those owners whose properties have undergone a change since the last assessment were sent Assessment Notices last fall (entitled "Property Assessment Notice 2004").

Changes to assessment include changes to value, changes in name and ownership, and changes to school support designation.

The next province-wide assessment update will take place for the 2006 taxation year, when the assessed values of all properties will be updated to January 1, 2005. Every property owner in Ontario will receive an Assessment Notice in the fall of 2005.

If you have appealed your 2004 assessment and that appeal is still pending as of March 31, 2005, then an appeal of your 2005 assessment will not be necessary as one will automatically be deemed by the Assessment Review Board. However, if you have disposed of your 2004 assessment appeal prior to March 31, 2005 and the 2005 assessment does not reflect the 2004 decision, an appeal of the 2005 assessment will be required by no later than March 31, 2005. If the appeal deadline is missed, a Request for Reconsideration can still be made by December 31, 2005.

Rebate Applications for 2004

February 28, 2005 is the deadline date by which an application must be made to the relevant municipality:

- for a vacancy tax rebate in connection with vacant commercial and industrial buildings or in respect of vacant units within such buildings for the 2004 taxation year;
- for a charity rebate in connection with space occupied by an eligible registered charity in a commercial or industrial property in 2004; and
- for an adjustment of taxes for 2004 due to change in classification, demolition, damage or any error in the calculation of the 2004 taxes.

Tax Changes

Last Summer, the Province introduced legislation (*Bill 83, An Act to Implement Budget Measures*), which amends the *Municipal Act* to allow municipalities the option of increasing the 5% capping protection to 10% and to limit the equity adjustments provided to new construction in the Commercial, Industrial and Multi-Residential tax classes (does not include properties in the Residential or New Multi-Residential tax class). Currently, new construction in the applicable tax classes is entitled to be taxed at the lower of the property's taxes and the level of taxation of comparable properties (which may be benefiting from capping protection). The new amendment would allow municipalities to tax new construction at a minimum of 70% of the property's taxes in 2005, at 80% in 2006, at 90% in 2007 and at 100% in 2008. This amendment effectively deprives new construction from the benefit of being taxed at the same level of taxation as existing properties.

Municipalities may choose these options by passing a by-law by no later than April 30 of the taxation year.

If you have any questions, please do not hesitate to contact Melissa Muskat (416.597.6297) or Mark Blidner (416.597.6294).