

Authority: Policy and Finance Committee Report No. 4, Clause No. 2,
as adopted by City of Toronto Council on April 23, 24, 25, 26, 27, 30 and
May 1 and 2, 2001
Enacted by Council: June 1, 2001

CITY OF TORONTO

BY-LAW No. 429-2001

**To amend Municipal Code Chapter 767, Taxation, to create a Tax Rebate Program for
Registered Charities.**

WHEREAS subsection 442.1(1) of the *Municipal Act* (the “Act”) requires that every municipality, other than a lower-tier municipality, shall have a tax rebate program for eligible charities for the purposes of giving them relief from taxes on eligible property they occupy; and

WHEREAS subsection 442.1(2) of the Act provides that a charity is eligible if it is a registered charity as defined in subsection 248(1) of the *Income Tax Act* (Canada) that has a registration number issued by the Canada Customs and Revenue Agency, and a property is eligible if it is in one of the commercial classes or industrial classes within the meaning of subsection 363(20) of the Act; and

WHEREAS paragraph 2 of subsection 442.1(3) of the Act provides that the amount of a rebate to eligible charities must be at least forty per cent of the taxes payable by the eligible charity on the property it occupies, or the amount the eligible charity is required to pay its landlord under a gross lease pursuant to section 444.1 and 444.2 of the Act; and

The Council of the City of Toronto HEREBY ENACTS as follows:

1. Chapter 767, Taxation, of the City of Toronto Municipal Code, is amended by adding the following article:

ARTICLE VIII

§ 767-31. Definitions.

As used in this article, the following terms shall have the meanings indicated:

ELIGIBLE CHARITY — A registered charity as defined in subsection 248(1) of the *Income Tax Act* (Canada) that has a registration number issued by the Canada Customs and Revenue Agency.

ELIGIBLE PROPERTY — Real property occupied and used by an Eligible Charity in the commercial or the industrial property class.

TAXES — Property taxes for municipal and school purposes levied for the year on Eligible Property.

§ 767-32. Rebate.

- A. Provided that an Eligible Charity meets the qualifications set out in §767-33, an annual tax rebate in the amount of 40 per cent of the Taxes payable by the Eligible Charity on Eligible Property, shall be paid to the Eligible Charity by the City in the following instalments:
- (1) one-half of the rebate shall be paid within sixty days of the City's receipt of the application for the taxation year; and
 - (2) the remainder of the rebate shall be paid within one hundred and twenty days of the City's receipt of the application for the taxation year.
- B. If an application is made pursuant to subsection B of § 767-34, the City shall make a final adjustment of the rebate after the final Taxes payable for the taxation year by the Eligible Charity can be determined, which adjustment shall consist of the difference between the amount of rebate paid to the Eligible Charity based on the estimated Taxes and the amount of rebate to which the Eligible Charity is entitled, and which adjustment may affect the amount of the second instalment of the rebate to be paid pursuant to subsection A(2) hereof or, if the second instalment has already been paid, may be deducted from or added to the Taxes payable in the following year or may be deducted from or added to the rebate payable to the Eligible Charity in the following year.

§ 767-33. Eligible Charity.

- A. An Eligible Charity is qualified to receive a tax rebate under § 767-32 if:
- (1) it has made an application for a tax rebate in accordance with § 767-34;
 - (2) it agrees to notify the City Treasurer of any change in circumstances which would alter its status as an Eligible Charity or the status of its property as Eligible Property, in a form satisfactory to the City Treasurer;
 - (3) in the event that it received any rebate amount from a municipality other than the City of Toronto in any year that it also received an amount under this By-law, it shall pay to that other municipality the difference between the amount it received from that municipality and the amount to which it was eligible from that other municipality; and
 - (4) no Taxes for previous years remain in arrears on the Eligible Property.

§ 767-34. Applications.

- A. An application for a tax rebate shall be:
- (1) in writing, on a form prepared by the City Treasurer for that purpose;

- (2) include documentation in support thereof in a form satisfactory to the City Treasurer to establish:
 - (a) that the applicant is an Eligible Charity;
 - (b) that the property for which the application is made is Eligible Property; and
 - (c) the total Taxes payable for the Eligible Property in the year in respect of which the application is made.
 - (3) submitted to the City Treasurer between the 1st day of January of the year in respect of which the application is made, and the last day of February of the following year.
- B. If an application is made before the Eligible Charity receives notification of the final Taxes payable for the taxation year, the application may be based on an estimate of the Taxes payable by the Eligible Charity on the Eligible Property, which estimate shall equal the Taxes payable by the Eligible Charity on the Eligible Property in the preceding taxation year.
- C. An application under subsection B shall comply with the requirements of subsection A.

§ 767-35. Interest

Interest shall be paid by the City on any rebates not paid to an Eligible Charity in accordance with § 767-32, at a rate of interest equal to the lowest prime rate reported to the Bank of Canada by any of the banks listed in Schedule I of the *Bank Act* (Canada).

§ 767-36. Statements.

The City shall provide to each Eligible Charity which receives a tax rebate under § 767-32, an annual statement of the amount of tax rebate for the year including the amount of taxes for school purposes which have been so rebated.

ENACTED AND PASSED this 1st day of June, A.D. 2001.

CASE OOTES,
Deputy Mayor

JEFFREY A. ABRAMS,
Acting City Clerk

(Corporate Seal)