

# City of Toronto

## Budget Committee

### 2010 Property Tax Rates And Implementing 'Enhancing Toronto's Business Climate'

March 26, 2010

# Re-assessment Cycle

Taxation Year	Valuation Date		
1998, 1999, 2000	June 30, 1996		
2001, 2002	June 30, 1999		
2003	June 30, 2001		
2004,2005	June 30, 2003		
2006, 2007, 2008	January 1, 2005		
2009, 2010, 2011, 2012	January 1, 2008	✓	Increases phased in over 4 years

# City-Wide, Re-assessment is Revenue Neutral

---

2010 Municipal Taxes (pre levy increase)

**\$3.47 B**

=

**\$3.47 B**

Before

After

Reassessment

# CVA Changes 2001 - Present

					2009 -2012 CVA (Jan1/08)		
Class:	2001 (Jun30/99)	2003 (Jun30/01)	2004 (Jun30/03)	2006 (Jan1/05)	Jan 1/08 Full Value	2009 Phased In	2010 Phased In
Residential	19.8%	14.7%	14.4%	11.4%	22.0%	5.4%	5.2%
Multi- Residential	41.1%	15.1%	16.9%	8.2%	9.3%	1.7%	2.4%
Commercial	38.9%	15.2%	4.4%	11.9%	36.9%	9.0%	8.2%
Industrial	16.1%	37.0%	9.3%	12.1%	41.9%	10.4%	9.5%
All Classes	24.7%	15.2 %	12.6%	11.2%	23.8%	5.8%	5.6%

# Residential Property Value Changes

	2010 Phased-In CVA	2012 Full CVA
Single Family Detached	515,474	569,879
Townhome	377,586	417,227
Semi-Detached	371,837	411,065
Duplex	453,818	505,907
Condominium	259,914	278,789
All Residential Property Types	407,374	447,679

# 2010 Residential CVA-Related Tax Impacts

	Tax Decreases				Tax Increases			
	No. of Properties	% of Properties	Average Tax Impact (%)	Average Tax Impact (\$)	No. of Properties	% of Properties	Average Tax Impact (%)	Average Tax Impact (\$)
<b>2009 Phased-In</b>	<b>365,803</b>	<b>57.4%</b>	<b>-2.2%</b>	<b>(\$61)</b>	<b>272,005</b>	<b>42.6%</b>	<b>+2.1%</b>	<b>+\$82</b>
<b>2010 Phased-In</b>	<b>378,437</b>	<b>58.2%</b>	<b>-1.8%</b>	<b>(\$51)</b>	<b>272,353</b>	<b>41.8%</b>	<b>+1.8%</b>	<b>+\$71</b>
<b>Estimated Balance of Phase-in 2011 &amp; 2012</b>	<b>378,437</b>	<b>58.2%</b>	<b>-3.1%</b>	<b>(\$88)</b>	<b>272,353</b>	<b>41.8%</b>	<b>+3.1%</b>	<b>+\$122</b>

Note: Excludes any budgetary levy impact

# Projected Tax Ratios

	Historic	Actual		Projected			
	2005	2009	<b>2010 (vs 3.38 target)</b>	2011	2012	<b>2013 (vs. 2015 target)</b>	<b>2017 (vs. 2020 target)</b>
Commercial	3.75	3.46	3.27	3.21	3.10	<b>3.00</b>	<b>2.50</b>
Industrial	4.21	3.56	3.37				
Multi-Residential	3.71	3.46	3.32				
Small Business	n/a	3.28	3.10	2.90	2.70	<b>2.50</b>	

# 2010 CVA and Levy Related Tax Impacts and Recommended Tax Ratios 2.9% Res

Property Class	Average CVA Impact	Average Enhancing Toronto's Business Climate Adjustment	Budgetary Levy Impact	Average Total Impact
Residential	-0.71%	0.71%	2.90%	2.90%
Multi-Residential	-3.35%	0.62%	0.97%	-1.76%
Commercial Residual Band 1 (Small Business)	-1.76%	-2.27%	0.97%	-3.07%
Commercial Residual Band 2 (blended)	2.58%	-1.38%	0.97%	2.17%
Commercial General	1.73%	-0.59%	0.97%	2.10%
Industrial	3.11%	-2.39%	0.97%	1.69%
City Average	0.00%	0.00%	1.82%	1.82%

# 2010 Municipal Tax Impacts

Tax Class	CVA (Sample)	2009 Muni. Tax	2010 Final Municipal Tax	Net Municipal Change	
Residential	407,374 (average)	\$2,334	\$2,402	\$67.69	2.90%
Multi-Residential (Apartments)	100,000	\$2,037	\$2,002	(\$36)	-1.76%
Small Businesses Band 1	1,000,000	\$19,690	\$19,087	(\$603)	-3.07%
Residual Commercial Band 2 (Blended)	1,000,000	\$19,950	\$20,383	\$433	2.17%
Commercial General	1,000,000	\$20,160	\$20,583	\$423	2.10%
Industrial	1,000,000	\$20,752	\$21,103	\$351	1.69%

# 2010 Operating Budget – Tax Impacts

---

Residential 2.9%	2/3	\$44.2 million
------------------	-----	----------------

Non Residential 0.97%	1/3	<u>\$18.8 million</u>
--------------------------	-----	-----------------------

<b>Total 1.82%</b>		<b><u>\$63.0 million</u></b>
--------------------	--	------------------------------

*Average Residential 2010 CVA = \$407,374; \$68 Impact*

# Toronto Helps - Seniors and Persons with a Disability

	Tax Increase Deferral Program	Tax Increase Cancellation Program
Seniors	<ul style="list-style-type: none"> <li>- aged 50 years or older</li> <li>- household income <b>\$50,000</b> or less</li> </ul>	<ul style="list-style-type: none"> <li>- aged 65 years or older</li> <li>- household income <b>\$36,000</b> or less or in receipt of the GIS</li> <li>- property CVA less than <b>\$525,000</b> (\$575,000 – 2011-2012)</li> </ul>
Disabled Persons	<ul style="list-style-type: none"> <li>- receiving support from one or more specified disability programs</li> <li>- household income <b>\$50,000</b> or less</li> </ul>	<ul style="list-style-type: none"> <li>- receiving support from one or more specified disability programs</li> <li>- household income <b>\$36,000</b> or less</li> <li>- property CVA less than <b>\$525,000</b> (\$575,000 – 2011-2012)</li> </ul>

- Water rebate for low income seniors and persons with a disability

# Toronto Helps - Business

---

- Reducing Business Property Tax ahead of schedule:
  - Plan to reduce Business Property Tax ratios to 3.0 times residential taxes by 2013(vs 2015 target), and 2.5 times by 2017 (vs 2020 target)
  - Reduce Small Business Tax ratios to 2.5 times by 2013 (vs 2015 original target)
- Property Tax Rebates for vacant Commercial and Industrial Properties (2010 - \$20M), and Registered Charity Rebates (2010 - \$6.7M)
- Reduction in Business Education Tax Rates to be phased in by 2014
- Development Charges (DC) exemption for some businesses and freeze on residential
- Water Rate Structure Review:
  - New lower water rates for industrial & manufacturing sector:
  - 30% reduction over domestic rate

# Toronto Helps - Business

---

- Agenda for Prosperity approved in 2008
- Financial incentives for new developments:
  - Tax Increment Equivalent Grants (TIEG) for Employment Lands
    - ✓ Targeted to specific economic sectors
    - ✓ Intended to enhance job creation in the City & growth in assessment base
    - ✓ “Woodbine Live!” transformation project incentives – create 9,000 jobs in 3 priority neighbourhoods; \$1 billion investment
    - ✓ Brownfield Remediation Grant
  - Better Buildings Partnership (BBP)
  - Energy Reduction Loan
  - Heritage Incentives (Capital Grant; Tax Rebate Program)

# Business Tax Relief

Year	2006	2007	2008	2009	2010	
	Council Enhancing Toronto's Business Climate policy for one-third of increase to non-residential					
			Council Policy Accelerated Small Business Tax Reduction			
Residential Tax Increase	3.00%	3.80%	3.39%	4.00%	2.90%	
Business Tax Increase	1.00%	1.27%	1.13%	1.33%	0.97%	Cumulative
Business Tax Relief (\$ M in forgone tax increase revenue)	\$ 36.7	\$ 47.0	\$ 42.5	\$ 51.1	\$ 37.6	\$ 215.0
Additional Small Business Relief			\$ 8.3	\$ 4.9	\$ 14.5	\$ 27.7
						\$ 242.7

