



2015 Reassessment Tax Impacts



Re-assessment Cycle

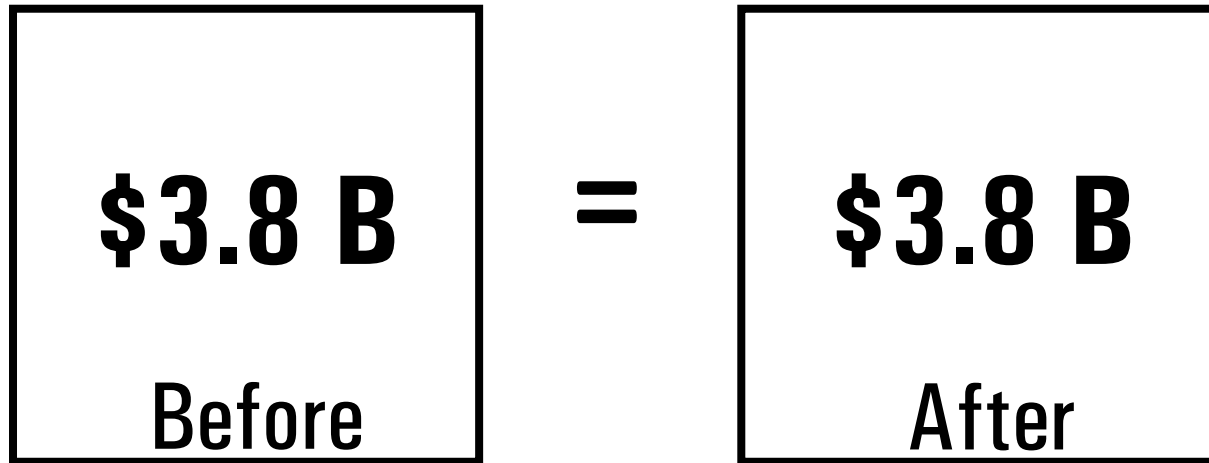
<u>Taxation Year</u>	<u>Valuation Date</u>	
2009, 2010, 2011, 2012	January 1, 2008	
2013, 2014, 2015, 2016	January 1, 2012	✓

Illustration of 4-year Assessment Increase Phase-In

Property value on January 1, 2012		\$550,000	
Property Value on January 1, 2008 for 2012 tax year		<u>\$450,000</u>	
Property value has changed by		\$100,000	÷ by 4 years
	<u>Tax year</u>	<u>Phased-In Assessment</u>	
	2013	\$475,500	
	2014	\$500,000	
	2015	\$525,000	✓
	2016	\$550,000	

City-Wide Re-assessment is Revenue Neutral

Municipal Taxes



Reassessment

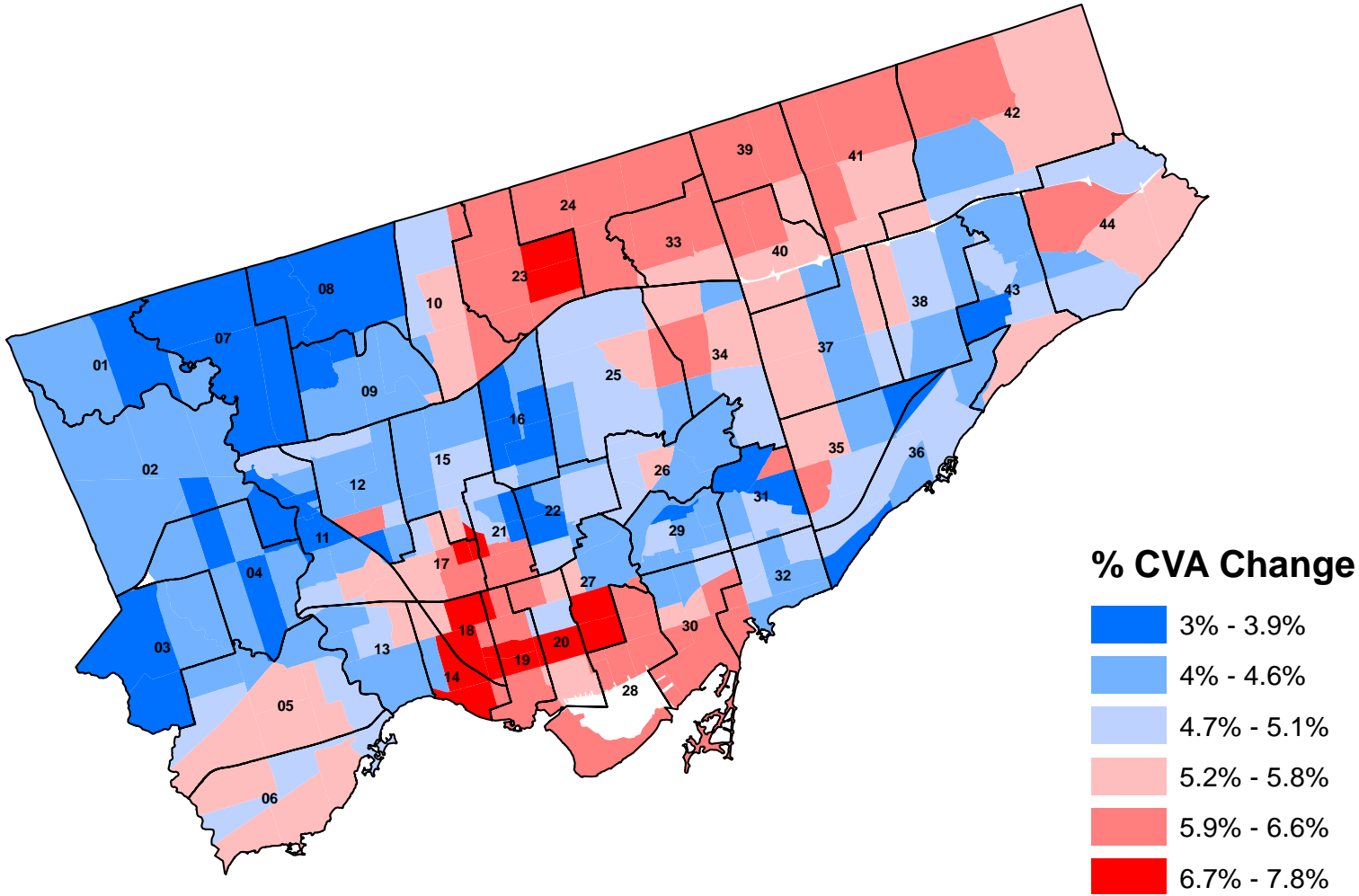
Before	Average House	After
\$2,596	524,833	\$2,596

However, tax shifts will occur between properties within a Class, and possibly between property classes arising from tax ratio rules

Reassessment Changes 2013-2016

	Jan. '12 vs. Jan '08	Phased-in for 2014	Phased-in for 2015
Residential	23.0%	5.4%	5.1%
Multi-Residential	23.4%	5.6%	5.3%
Commercial	22.1%	5.5%	5.2%
Industrial	18.2%	3.7%	3.5%
City Wide	22.8%	5.4%	5.1%

2015 Residential CVA Change



2015 Total Tax Levy

(Assumption – 2.25% Residential Budgetary Tax Increase)

	<u>\$000's</u>
2014 Budget Tax Levy	3,774,296
Assessment Growth for 2015 Taxation	<u>29,638</u>
2015 General Property Tax Levy	3,803,933
2015 Budgetary Tax Levy Increase (1.50%)	56,909
2015 Scarborough Tax Levy Increase (0.33%)	<u>12,640</u>
2015 Total Tax Levy Increase (1.83%)	<u>69,549</u>
2015 Property Tax Levy	<u>3,873,482</u>

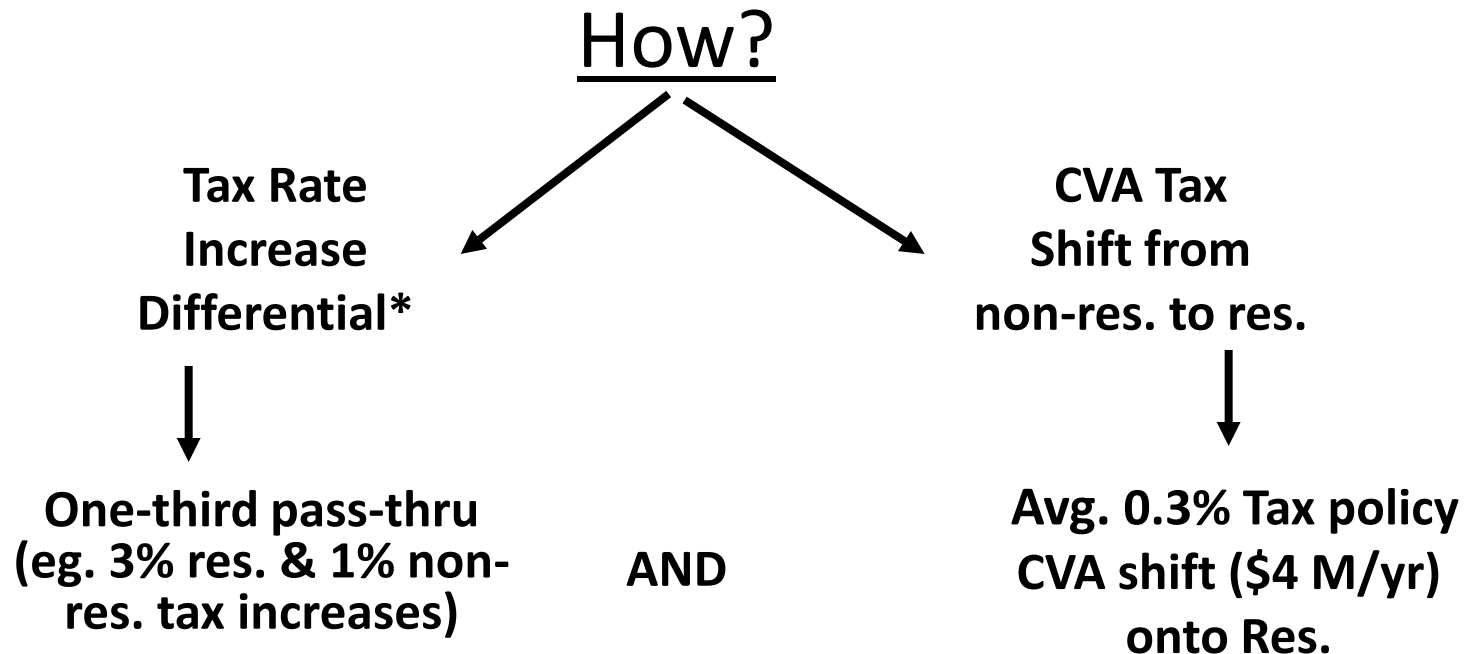
Enhancing Toronto's Business Climate

Tax Ratio Reduction Initiative

		Actual						Target	
	2006	2009	2010	2011	2012	2013	2014	2015	2020
Residential	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Commercial	3.68	3.37	3.26	3.23	3.17 (vs. 3.23 target)	3.12 (vs. 3.15 target)	3.07	3.00 ✓	2.50
Industrial	4.09	3.55			3.26 (vs. 3.23 target)	3.18 (vs. 3.15 target)			
Multi-Residential	3.63	3.38	3.31	3.31	2.81 (vs. 2.89 target)	2.76			
Small Business	n/a	3.26	2.97	2.93					

Addressing imbalance in tax ratios

- Tax Ratio Target □ 2.5x residential rate
- Time Frame □ 15 years



*Legislation limits tax increases on the protected classes to no more than one-half of the increase on residential until ratio thresholds are reached (1.98 – com.; 2.74 – multi-res; 2.63 – ind)

Summary of Potential Tax Impacts

- 1. CVA -Tax shifts between properties within a class (Legislative Requirement)
 - + 2. CVA -Tax shifts between property classes (Legislative Requirement)
 - + 3. Policy tax shift – Enhancing Bus. Climate (City discretion and Legislative)
 - + 4. Budgetary tax increase (City discretion)
-

= CVA + City Budget Impact

- + 5. Education Levy Changes (Provincial)
-
-

= TOTAL Impact on Homeowner

*No New
Revenue
to
City*

*No
Revenue
to
City*

Summary of 2015 Municipal Tax impacts with 2.25% Residential Budget Tax Increase (% over 2014 taxes)

Tax Class	Budget Impact	Average CVA Impact	Average Policy Impact	Subway Impact	Average Total Impact
Residential	2.25%	0.01%	0.44%	0.50%	3.20%
Multi-residential (Apartment)	0.75%	0.13%	-0.13%	0.17%	0.92%
Commercial	0.75%	0.61%	-1.04%	0.17%	0.47%
Commercial Large*	0.75%	-0.37%	-0.13%	0.17%	0.42%
Industrial	0.75%	-1.55%	-0.14%	0.17%	-0.77%
City Average	1.50%	0.00%	0.00%	0.33%	1.83%

} 0.48%
Non-Res.

*Commercial Large includes: office buildings >25,000 ft²; shopping centres >25,000 ft²; parking lots; professional sports facilities.

2006-2014 Residential Property Tax Increases including CVA/Tax Policy Shifts on the average household

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Rec'd
Budget Tax Levy	3.00	3.80	3.39	4.00	2.90	0.00	2.50	2.00	1.73	2.25
Tax Policy Impact	0.04	0.08	0.36	0.61	0.71	0.63	0.52	0.30	0.47	0.44
CVA Impact	0.36	0.00	0.00	-0.61	-0.71	-0.63	-0.52	0.21	0.01	0.01
Scarborough Subway									0.50	0.50
TOTAL IMPACT	3.40	3.88	3.75	4.00	2.90	0.00	2.50	2.51	2.71	3.20

2015 Municipal Tax Impact with 2.25% Residential Budget Tax Increase

	Impact on Average Residential Household	
	%	\$ Per Household*
Budgetary Levy Increase (Res.*)	2.25%	\$58.66
Scarborough Subway	<u>0.50%</u>	<u>\$13.04</u>
Total Budget & Subway Tax Impact	2.75%	\$71.70
CVA and Policy Shift between Property Classes	<u>0.45%</u>	<u>\$11.49</u>
Average Net Impact on Homeowner	3.20%	\$83.19

2014 Tax = \$2,596
(municipal)

No New Revenue to City

2015 Tax = \$2,679

*Average House Assessed at \$524,833

2015 Total Property Tax Impact with 2.25% Residential Budget Tax Increase (inclusive of Education)

Average Residential Tax	2014	2015	\$ Impact	% Impact
Municipal	\$2,596	\$2,679	\$83.19	3.20%
Education (preliminary)	\$1,014	\$1,024	\$9.60	0.95%
Total	\$3,610	\$3,703	\$92.79	2.57%

* Average House Assessed at \$524,833

- Total property tax increase would be about the rate of inflation

Tax Assistance for Low Income Seniors & Persons with Disabilities:

	Tax Increase Deferral Program	Tax Increase Cancellation Program
Seniors	<ul style="list-style-type: none"> - age 65 years or older; or aged 60-64 years and receiving a Guaranteed Income Supplement (GIS) and/or Spousal Allowance; or aged 50 years or older and receiving either a registered pension or pension annuity. - household income \$50,000 or less 	<ul style="list-style-type: none"> - aged 65 years or older or 60-64 years and receiving a Guaranteed Income Supplement (GIS) and/or Spousal Allowance - household income \$38,000 or less - property CVA equal to or less than \$715,000 for 2015 and 2016.
Disabled Persons	<ul style="list-style-type: none"> - No age requirement - receiving support from one or more specified disability programs - household income \$50,000 or less 	<ul style="list-style-type: none"> - No age requirement - receiving support from one or more specified disability programs - household income \$38,000 or less - property CVA equal to or less than \$715,000 for 2015 and 2016.



Toronto Helps - Business

- Reducing Business Property Tax ahead of schedule:
 - Reduced Business Property Tax ratios to 3.0 times residential taxes by 2015, and planned 2.5 times by 2020
 - Reduced Small Business Tax ratios to 2.5 times by 2015
 - Limiting Tax Increases on Business to one-third that on Residential
 - Combined cumulative savings to Businesses of over \$500M 2006-2015
- Property Tax Rebates for vacant Commercial and Industrial Properties (2014 - \$22M), and Registered Charity Rebates (2014 - \$6.7M)
- 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 (2014 - \$16M)

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
 - Brownfield Remediation Grant
 - \$162M in potential grants over next 10 years to applicants in the pipeline
- Better Buildings Partnership (BBP)
- Energy Reduction Loan
- Heritage Incentives (Capital Grant; Tax Rebate Program)
- Invest Toronto Corporation
- Gold Star Service

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

Year	2011	2012	2013	2014	2015	
Residential Tax Increase	0%	2.50%	2.00%	2.23%	2.75%	
Business Tax Increase	0%	0.83%	0.67%	0.74%	0.92%	Cumulative
Business Tax Relief (\$M in forgone tax increase revenue)	-	\$24.00	\$19.30	\$21.60	\$35.11	\$100.01
Additional Small Business Relief	\$19.80	\$28.60	\$33.90	\$42.30	\$48.21	\$172.81
						\$272.82

1998-2014 Residential Property Tax Increases including CVA/Tax Policy Shifts on the average household

1998-2014 Residential Total Property Tax Increases including CVA and Tax Policy Shifts on the average household											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average 2006-2014	2015 Rec'd
Residential Tax Increase %	3.00	3.80	3.39	4.00	2.90	0.00	2.50	2.00	1.73	2.59	2.25
Tax Policy Impact %	0.04	0.08	0.36	0.61	0.71	0.63	0.52	0.30	0.47	0.41	0.44
CVA Impact %	0.36	0.00	0.00	-0.61	-0.71	-0.63	-0.52	0.21	0.01	-0.21	0.01
Scarborough Subway %									0.50	0.06	0.50
Total Tax Impact	3.40	3.88	3.75	4.00	2.90	0.00	2.50	2.51	2.71	2.85	3.20
Inflation (CPI)	1.59	1.94	2.35	0.44	2.55	3.00	1.50	1.23	2.51	1.87	na
TOTAL REAL IMPACT %	1.81	1.94	1.39	3.56	0.35	-3.00	1.00	1.28	0.20	0.98	na
	1998	1999	2000	2001*	2002	2003*	2004*	2005	Average 1998-2005	Average 1998-2014	
Residential Tax Increase %	0.00	0.00	0.00	5.00	4.32	3.00	3.00	3.00	2.29	2.45	
Tax Policy Impact %										0.22	
CVA Impact %				-6.75		0.01	0.00		-2.25	-0.51	
Scarborough Subway %										0.03	
Total Tax Impact	0.00	0.00	0.00	-1.75	4.32	3.01	3.00	3.00	0.04	2.19	
Inflation (CPI)	1.01	1.99	3.04	3.16	2.04	3.00	1.65	1.91	2.22	2.05	
TOTAL REAL IMPACT %	-1.01	-1.99	-3.04	-4.91	2.28	0.01	1.35	1.09	-2.18	0.14	
*Reassessment Years											

Council Approved 2014 Tax Impact with **1.73%** Residential Budget Increase

Tax Class	Average CVA Impact	Average Policy Impact	Average Budget Impact	Average Subway Impact	Average Total Impact	
Residential	0.01%	0.47%	1.73%	0.50%	2.71%	} 2.71% Res.
Multi-residential (Apartment)	0.16%	-1.54%	0.58%	0.17%	-0.63%	
Commercial	-0.43%	0.46%	0.58%	0.17%	0.77%	} 0.30% Non-Res.
Commercial Large*	0.09%	-0.12%	0.58%	0.17%	0.71%	
Industrial	-1.71%	0.44%	0.58%	0.17%	-0.52%	
City Average	0.00%	0.00%	1.14%	0.33%	1.46%	

*Commercial Large includes: office buildings >25,000 ft²; shopping centres >25,000 ft²; parking lots; professional sports facilities.

Re-a Council Approved 2014 Tax Impact with **1.73%** Residential Budget Increase

	Impact on Average Residential Household	
	%	\$ Per Household*
Budgetary Levy Increase (Res. *)	1.67%	\$42.33
Increased Tree Management	<u>0.06%</u>	<u>\$1.63</u>
Budget Sub-Total	1.73%	\$43.96
Scarborough Subway	<u>0.50%</u>	<u>\$12.70</u>
Total Budget & Subway Tax Impact	2.23%	\$56.66
CVA and Policy Shift between Property Classes	0.48%	\$11.93
Average Net Impact on Homeowner	2.71%	\$68.59

2013 Tax = \$2,529 (municipal)

No New Revenue to City

*Average House Assessed at \$499,521

2014 Tax = \$2,598

Relationship Between Budgetary Tax Increase and Policy Shift to Achieve Target Ratios

