

Authority: Executive Committee Item EX22.2, adopted as amended, by City of Toronto Council on February 15 and 16, 2017

CITY OF TORONTO

BY-LAW 122-2017

To amend City of Toronto Municipal Code Chapter 760, Taxation, Municipal Land Transfer Tax.

Whereas Chapter 760, Taxation, Municipal Land Transfer Tax, of the City of Toronto's Municipal Code establishes the City's Municipal Land Transfer Tax; and

Whereas the Province of Ontario has recently changed tax rates and eligibility rules for first-time homebuyer rebates for the Provincial Land Transfer Tax under the Land Transfer Tax Act; and

Whereas at its meeting of February 15 and 16, 2017, City Council approved the harmonization of tax rates under the Municipal Land Transfer Tax with those under the Provincial Land Transfer Tax, harmonized the eligibility rules of first-time purchaser rebates with those of the Provincial first-time homebuyer rebate by restricting eligibility to Canadian citizens and permanent residents, and increased the maximum first-time purchaser rebate amount;

The Council of the City of Toronto enacts:

1. City of Toronto Municipal Code Chapter 760, Taxation, Municipal Land Transfer Tax is amended as follows:
 - (1) Section 760-2 is amended by deleting the definition of "First Time Purchaser" and replacing it with the following:

"FIRST TIME PURCHASER - with respect to an eligible home:

 - A. If the conveyance or disposition of the eligible home occurs before March 1, 2017, an individual who is at least 18 years of age and who has never owned an eligible home anywhere in the world and whose spouse has not owned an eligible home anywhere in the world while he or she was spouse of the individual.
 - B. If the conveyance or disposition of the eligible home occurs on or after March 1, 2017, an individual who is at least 18 years of age, is a Canadian citizen or permanent resident of Canada and who has never owned an eligible home anywhere in the world and whose spouse has not owned an eligible home anywhere in the world while he or she was spouse of the individual.

- (2) Section 760-2 is amended by adding the following definition of "Permanent Resident of Canada":

"PERMANENT RESIDENT OF CANADA - a permanent resident as defined in the Immigration and Refugee Protection Act (Canada).

- (3) Section 760-9 is amended by adding the words "before March 1, 2017", after the words "Every person who" and before the words "tenders for registration a conveyance".

- (4) A new section § 760-9.1 is added as follows:

§ 760-9.1. Amount on or after March 1, 2017.

Every person who, on or after March 1, 2017, tenders for registration a conveyance by which land is conveyed to or in trust for a transferee shall pay to the Chief Financial Officer, when the conveyance is tendered for registration or before it is tendered for registration:

A. A tax computed at the rate of:

- (1) one-half of 1 percent of the value of the consideration for the conveyance up to and including \$55,000;
- (2) 1 percent of the value of the consideration which exceeds \$55,000 up to and including \$250,000;
- (3) 1.5 percent of the value of the consideration which exceeds \$250,000 up to and including \$400,000;
- (4) 2 percent of the value of the consideration which exceeds \$400,000.

B. If the value of the consideration for the conveyance exceeds \$2 million and the conveyance is a conveyance of land that contains at least one and not more than two single-family residences, an additional tax of one-half of 1 percent of the amount by which the value of the consideration exceeds \$2 million.

- (5) Section 760-11 is deleted and replaced by the following:

"Where, in respect of a conveyance of land, the value of the consideration for the conveyance exceeds \$2,000,000 or, for a conveyance to which § 760-9 applies,

the value of consideration for the conveyance exceeds \$400,000, and a part of the land being conveyed is used for a purpose other than residential purposes, the Chief Financial Officer may determine the amount of the value of the consideration for the conveyance that is reasonably attributable to the land used in connection with a single-family residence, and the person tendering the conveyance for registration is, notwithstanding § 760-9 and § 760-9.1, liable to the additional tax of:

- A. For a conveyance to which § 760-9.1 applies, one-half of 1 percent only upon the amount by which the value of the consideration determined by the Chief Financial Officer to be attributable to land used in connection with a single-family residence exceeds \$2,000,000;
- B. For a conveyance to which § 760-9 applies, one half of 1 percent only upon the amount by which the value of the consideration determined by the Chief Financial Officer to be attributable to land used in connection with a single-family residence exceeds \$400,000 up to and including \$40 million, and 1 percent only upon the amount by which the value of the consideration determined by the Chief Financial Officer to be attributable to land used in connection with a single-family residence exceeds \$40 million.

(6) Subsection 760-60C, is deleted and replaced with the following:

- "C. (1) If the conveyance or disposition of the eligible home occurs before March 1, 2017, the maximum amount of tax subject to rebate under Subsection A in respect to the acquisition of an eligible home is \$3,725; and
- (2) If the conveyance or disposition of the eligible home occurs on or after March 1, 2017, the maximum amount of tax subject to rebate under Subsection A in respect to the acquisition of an eligible home is \$4,475.

(7) Section 760-60 is amended by adding subsection G as follows:

- "G. If an individual who would otherwise be eligible for a rebate under this section is not eligible because the individual is not a first time purchaser within the meaning of this section because the individual is not a Canadian citizen or permanent resident of Canada on the date of the conveyance or disposition, that individual is eligible for the rebate if he or she becomes a Canadian citizen or permanent resident of Canada within 18 months after the date of the conveyance or disposition."

(8) The following sections are amended by deleting "§ 760-9" wherever it appears, and replacing it with "§ 760-9 or § 760-9.1":

- (a) § 760-17;
- (b) § 760-24;
- (c) § 760-25;
- (d) § 760-27;
- (e) § 760-29B;
- (f) § 760-54; and
- (g) § 760-60F.

2. This by-law shall come into force and effect on the day it is enacted.

Enacted and passed on February 16, 2017.

Frances Nunziata,
Speaker

Ulli S. Watkiss,
City Clerk

(Seal of the City)