

Authority: Item CC4.1, adopted as amended, by City of Toronto Council on February 15, 2023, and City of Toronto Municipal Code Chapter 767, Taxation, Property Tax
City Council voted in favour of this by-law on February 15, 2023

Written approval of this by-law was given by Mayoral Decision 5-2023 dated February 15, 2023

CITY OF TORONTO

BY-LAW 173-2023

Tax Levy By-law for 2023.

Whereas subsection 228(1) of the City of Toronto Act, 2006, as amended (the "Act"), provides for the City in each year to adopt a budget including estimates of all sums required during the year for the purposes of the City including amounts sufficient to pay all debts of the City falling due within the year, amounts required to be raised for sinking funds or retirement funds and amounts required for any board, commission or other body; and

Whereas section 277 of the Act provides that the general local municipality levy is the amount the City decides to raise in its budget for the year under section 228 on all rateable property in the City; and

Whereas subsection 277(2) of the Act provides that for the purposes of raising the general local municipality levy, the City shall, each year, pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the City rateable for municipal purposes; and

Whereas subsection 278(3) of the Act provides that the City shall specify, by by-law, the percentage reductions of the tax rates for municipal purposes for subclasses of property classes prescribed by regulation where the regulations require tax rates to be reduced by a percentage within a range described in the regulations; and

Whereas Pt III.0.2 of Ontario Regulation No. 282/98 prescribes a small business subclass for various property classes, which subclass will apply in municipalities that have opted to have it apply; and

Whereas pursuant to Article 12 of Chapter 767, City Council has opted to have the small business subclass apply to the commercial property class in the City of Toronto; and

Whereas section 23.0.2(2) of Ontario Regulation 282/98 allows the City to annually pass a by-law that opts to have the creative enterprise facilities subclass apply; and

Whereas pursuant to Article 11 of Chapter 767, the City has opted to have the creative enterprise facilities subclass apply for each of the commercial and the industrial property classes, renaming it the creative colocation facilities subclass, defining eligibility, and reducing taxes for properties in that subclass by 50 percent; and

Whereas subsection 275(2) of the Act provides that the City must establish a set of tax ratios in accordance with section 275; and

Whereas subsection 19(4) of Ontario Regulation 121/07 (the "Regulation") permits the City to adjust the total assessment for property in a property class for the purposes of calculating the notional tax rate so that the total assessment excludes changes to the previous year's tax roll resulting from various prescribed assessment-related losses by opting to have subsections 19(4.2) to (4.4) apply; and

Whereas the City elects to make the adjustment to the total assessment prescribed by subsection 19(4) of the Regulation; and

Whereas subsection 277(7) of the Act provides that the tax rates to be levied on property in a property class in which the tax ratio or average tax ratio for that property class exceed the prescribed threshold ratios for that property class must be determined in the prescribed manner; and

Whereas the City's tax ratio for the commercial property class exceeds the threshold ratio prescribed by the Regulation for that property class; and

Whereas the Regulation prescribes the method for calculating tax rates for the commercial property class for the City under subsection 277(7) of the Act, which method for calculating such tax rates is prescribed by subsection 3(4) of the Regulation as allowing for a general levy tax rate increase by election of the City on the commercial property class up to a maximum of half of any tax rate increase on the residential property class in a qualifying year; and

Whereas the tax rate for the commercial property class for the City for 2023, as levied by this by-law, is in accordance with the method prescribed by the Regulation for calculating the tax rates for 2023; and

Whereas subsection 9(2) of the Regulation, as amended, provides that the tax rate for the commercial property class may be greater than would be allowed under subsection 277(6) and Part XII of the Act, to the extent necessary to raise an amount sufficient to fund tax rebates to eligible charities occupying commercial properties under section 329 of the Act; and

Whereas subsection 292(1) of the Act provides that the City may pass a by-law to have one or more of the paragraphs under that subsection apply in the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial, industrial and multi-residential property classes, which paragraphs have the effect of changing the basis upon which capped taxes are calculated and phasing-out comparable tax treatment for properties to which section 294 applies; and

Whereas pursuant to this by-law, the City is opting to make paragraph 1 of subsection 292(1) of the Act applicable to the City for 2023 thereby capping taxes in the commercial, industrial and multi-residential property class at the 2022 annualized taxes plus 10 percent of the 2022 annualized taxes; and

Whereas pursuant to this by-law, the City is opting to make paragraphs 3 and 4 of subsection 292(2) of the Act (as it has been modified by section 29.1 of the Regulation) applicable to the City for 2023, thereby adopting a threshold limit of \$500 so that properties that are within that threshold of their full current value assessment level of taxation in the current year will be taxed at their current value assessment level of taxation and are excluded from the capping and clawing back of taxes; and

Whereas section 307 of the Act provides that the City may pass a by-law providing for the payment of taxes by instalments and establishing due dates for such instalments, and alternative instalments and due dates;

The Council of the City of Toronto enacts:

1. For the purposes of calculating the notional tax rate, the City elects pursuant to subsection 19(4) of the Regulation to adjust the total assessment for property in a property class so that the total assessment excludes changes to the tax roll for 2022 resulting from various prescribed assessment-related losses by opting to have subsections 19(4.2) to (4.4) apply.
2. The tax ratios for 2023 for each property class set out in Column 1 shall be established as the amount set out in Column 2:

Column 1 Property Class	Column 2 (2023 Tax Ratios)
Residential	1.000000
Multi-Residential	1.963498
New Multi-Residential	1.000000
Commercial	2.581835
Industrial	2.513009
Pipeline	1.923561
Farmlands	0.250000
Managed Forests	0.250000

3. (1) The City of Toronto elects to adopt the application of the subclasses set out in Column 2 of subsection (2) for each of the property classes set out in subsection (2) for 2023.

- (2) There shall be levied and collected as taxes on the assessment of all real property in the City of Toronto rateable for local municipal purposes according to the assessment roll for 2023 and as finally altered, amended and corrected, which property is classified in a subclass set out in Column 2 of the property class set out in Column 1, the rates levied by section 6 hereof for that property class reduced by the percentage set out in Column 3 below:

Column 1	Column 2	Column 3
Property Class	Tax Subclass	Applicable Tax Rate Reduction
Commercial	Creative Facilities Enterprise subclass (Creative Co-location Facilities Subclass)	50% of Commercial rate
	Small Business subclass	15% of Commercial rate
	Excess Land	30% of Commercial rate
	Vacant Land	30% of Commercial rate
	Farmland Awaiting Development (First subclass)	60% of Residential/Farm rate
	Farmland Awaiting Development (Second subclass)	30% of Commercial rate
Industrial	Creative Facilities Enterprise subclass (Creative Co-location Facilities Subclass)	50% of Industrial rate
	Excess Land	35% of Industrial rate
	Vacant Land	35% of Industrial rate
	Farmland Awaiting Development (First subclass)	60% of Residential/Farm rate
	Farmland Awaiting Development (Second subclass)	35% of Industrial rate

Column 1	Column 2	Column 3
Residential	Farmland Awaiting Development (First subclass)	60% of Residential/Farm rate
	Farmland Awaiting Development (Second subclass)	0% of Residential/Farm rate
Multi-residential	Farmland Awaiting Development (First subclass)	60% of Residential/Farm rate
	Farmland Awaiting Development (Second subclass)	0% of Residential/Farm rate

4. The City of Toronto elects to apply a different tax rate for the general levy for the 2023 taxation year for the commercial property class, pursuant to subsection 3(4) of the Regulation, as amended, and the tax rates established by section 6 for the commercial property class do not exceed the maximum allowable tax rate for that class under subsection 3(4) of the Regulation.
5. For the 2023 taxation year, paragraphs 1 and 6 of subsection 292(1) of the Act, and paragraphs 3 and 4 of subsection 292(1) of the Act as modified by section 29.1 of the Regulation, shall apply in the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial, industrial and multi-residential property classes in the City of Toronto
6. (1) There shall be levied and collected as a general local municipal levy on the assessment of all real property in the City of Toronto rateable for local municipal purposes according to the assessment roll for 2023 and as finally altered, amended and corrected, in amounts calculated for each property class set out in Column 1, the total general local municipal levy tax rates set out in Column 5 (which is a total of the various rates set out in Columns 2, 3 and 4), which shall produce, when levied upon the total assessment for each property class as set out in Column 2 of Schedule A attached, the general local municipal levy of \$ 5,200,569,541.

Column 1	Column 2	Column 3	Column 4	Column 5
Property Class	2023 Tax Rate for General Local Municipal Levy	2023 Additional Tax Rate to Fund Budgetary Levy Increase	2023 Additional Tax Rate (reflects the 2023 increase to fund City Building)	2023 Ending Municipal Tax Rate (excluding Charity Rebates)
Residential	0.479696%	0.026383%	0.007195%	0.513274%
Multi-Residential	0.941882%	0.025902%	0.007064%	0.974848%
New Multi-Residential	0.479696%	0.026383%	0.007195%	0.513274%
Commercial	1.238496%	0.034059%	0.009289%	1.281844%
Industrial	1.205481%	0.066301%	0.018082%	1.289864%
Pipelines	0.922725%	0.050750%	0.013841%	0.987316%
Farmlands	0.119924%	0.006596%	0.001799%	0.128319%
Managed Forests	0.119924%	0.006596%	0.001799%	0.128319%

- (2) There shall be levied and collected as an additional general local municipal levy on the assessment of all real property in the City of Toronto in the property classes set out in Column 1 rateable for municipal purposes according to the assessment roll for 2023 and as finally altered, amended and corrected, the additional general local municipal tax rates set out in Column 2, which shall produce, when levied upon the total assessment for each of the commercial and industrial property classes as set out in Column 2 of Schedule A attached, the additional general local municipal levy of \$ 9,882,974 to fund the total estimated tax rebates to eligible charities in 2023.

Column 1	Column 2
Property Classes	2023 Additional Tax Rate to Fund Rebates to Eligible Charities
Commercial	0.007973%
Industrial	0.001062%

7. Subject to sections 8 and 9, all taxes shall be paid in 3 instalments which shall be equal or as nearly equal as practicable, and shall be due and payable on or before the respective dates set out below:

Instalment 1 – July 4, 2023

Instalment 2 – August 1, 2023

Instalment 3 – September 1, 2023

8. Under the City's monthly pre-authorized property tax payment program, and provided the Controller has received and approved a taxpayer's request to use the alternative instalments and due dates under that program, the payment of taxes shall, subject to the provisions of Chapter 767, be paid in 6 instalments which shall be equal or as nearly equal as practicable, and shall be due and payable on or before the respective alternative dates set out below:

Instalment 1 – July 17, 2023

Instalment 2 – August 15, 2023

Instalment 3 – September 15, 2023

Instalment 4 – October 16, 2023

Instalment 5 – November 15, 2023

Instalment 6 – December 15, 2023

9. Under the City's two instalment pre-authorized property tax payment program, and provided the Controller has received and approved a taxpayer's request to use the alternative instalments and due dates under that program, the payment of the taxes shall, subject to the provisions of Chapter 767, be paid in one instalment, and shall be due and payable on or before July 4, 2023.

10. The payment of taxes, or any instalment thereof, may be made at the following locations:

399 The West Mall

5100 Yonge Street

150 Borough Drive

100 Queen Street West

850 Coxwell Avenue

2700 Eglinton Avenue West

Enacted and passed on February 15, 2023.

Frances Nunziata,
Speaker

John D. Elvidge,
City Clerk

(Seal of the City)

SCHEDULE A
Rateable Assessment for Municipal Purposes

Column 1	Column 2
(Property Class/Subclass)	(2023 Rateable Assessment For Municipal Purposes)
Residential	581,875,181,788
Multi Residential	50,700,439,473
- Awaiting development (first subclass)	22,547,100
New Multi- Residential	7,037,360,338
Commercial	105,707,318,108
- Small business	18,163,105,336
- Excess Land	633,653,229
- Vacant Land	1,714,047,200
- Creative Co-location Facility	169,798,190
Industrial	7,803,058,620
- Excess Land	60,106,121
- Vacant Land	419,659,300
- Awaiting development (first subclass)	24,626,128
Pipelines	379,540,000
Farmlands	4,129,900
Managed Forests	4,227,300
Total	774,718,798,131