



REFERRAL OF MEMBER MOTION BY CITY COUNCIL

Capping the Municipal Land Transfer Tax

Date:	February 27, 2013
To:	Executive Committee
From:	City Council
Wards:	All Wards

City Council Decision

City Council on February 20 and 21, 2013, referred Motion MM30.16 to the Executive Committee.

Recommendations

Councillor Denzil Minnan-Wong, seconded by Councillor Michelle Berardinetti, recommends that:

1. City Council direct the Deputy City Manager and Chief Financial Officer to report to the Executive Committee on potential options for, and the related implications of, implementing a cap on municipal land transfer tax revenue for 2014 and beyond.

Summary

Following its inclusion as a taxation measure under the City of Toronto Act, 2006, the Municipal Land Transfer Tax (MLTT) came into effect on February 1, 2008. It applies to purchases on all properties in the City of Toronto and is in addition to the land transfer tax collected by the Province. While having no municipal mandate, the MLTT raises an estimated \$350 million annually. These funds are dedicated to general revenues.

While it would be beneficial to home buyers, real estate agents and the real estate market in Toronto to reduce or eliminate the MLTT, the tax is a significant source of revenue for the City. Budgetary offsets would need to be found before any such measures are considered.

Capping the MLTT on the other hand, would recognize the need for predictable and stable revenue, that which is provided by the existing MLTT. It would eliminate the need for the

City to find financial offsets through reductions in important city programs and services. It would also prove to be less of a burden to purchasers and sellers of real estate and the Toronto real estate market over time.

(Submitted to City Council on February 20 and 21, 2013 as MM30.16)