

## City Council

### Motion without Notice

MM3.17	ACTION			Ward: All
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### **Extending the Vacant Homes Tax Declaration Due Date and Adding Additional Instalment Due Dates for Making VHT Payments - by Councillor Gary Crawford, seconded by Mayor John Tory**

*\* This Motion has been deemed urgent by the Chair.*

*\* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

#### **Recommendations**

Councillor Gary Crawford, seconded by Mayor John Tory, recommends that:

1. City Council amend the City of Toronto Municipal Code Chapter 778, Vacant Home Tax, to delete the one instalment payment date of May 1st and to create the following 3 instalment payment dates for payment of the Tax each year, which payments shall be equal or as nearly equal as practicable.

- Instalment 1 – May 1st
- Instalment 2 – June 1st
- Instalment 3 – July 1st

2. City Council amend the City of Toronto Municipal Code Chapter 778, Vacant Home Tax, to extend the declaration due date in 2023 for the 2022 Taxation Year to February 28, 2023.

3. City Council authorize the introduction of the necessary Bills in Council to give effect to City Council's decision.

#### **Summary**

The City of Toronto implemented a Vacant Home Tax in 2022. All property owners are required to declare the occupancy status of their property(s) annually in the following year, even if they live there or fall under one or more exemptions. The declaration will determine whether the Vacant Home Tax applies and is payable.

The City of Toronto's first ever Vacant Homes Tax declaration was due on February 2, 2023.

Given that this is the first year that property owners are required to declare the occupancy status, there is a compelling interest to provide property owners with a grace period to provide their declarations. Moreover, there is also an interest in moderating the financial impact on property owners who do have to pay the Vacant Home Tax so that it can be paid in instalments over the course of several months, similar to property taxes, as opposed to a single lump sum payment.

A vacant home tax increases the housing supply by encouraging homeowners to sell or rent their unoccupied home, and if they choose to continue to keep the home vacant, a tax is levied. This revenue can then be used to fund affordable housing projects.

At its December 2020 meeting, City Council asked City staff to develop key tax design features and administrative structures to support a vacant home tax program and to report back with a recommended design for a vacant home tax, for tax implementation in 2022.

At its July 2021 meeting, City Council approved the development and implementation of a vacant home tax, similar to Vancouver's Empty Homes Tax. A property is considered vacant if it was not used as the principal residence by the owner(s) or any permitted occupant(s), or was not occupied by tenants for a total of six months or more during the previous calendar year. The vacant homes tax does not apply to properties that are the principal residence of the owner, the principal residence of a permitted occupant or tenant, or where it qualifies under an exemption. Other provisions are also made for winter vacationers, in fact the vast majority of Torontonians will not pay the tax.

This Motion is urgent because of the Vacant Home Tax declaration deadline and the current due date for the single instalment payment.

### **Background Information (City Council)**

Member Motion MM3.17