

Immediate Actions to Address the 2023 Taxation Year of the Vacant Home Tax

Date: April 10, 2024
To: City Council
From: Mayor Olivia Chow

RECOMMENDATIONS

The Mayor recommends that:

1. Notwithstanding, City of Toronto Municipal Code Chapter 441, Fees and Charges, City Council authorize the Chief Financial Officer and Treasurer to waive the fee for failing to provide a declaration of occupancy status by the declaration due date in respect of the Vacant Home Tax as required by City of Toronto Municipal Code, Chapter 778, Taxation, Vacant Home Tax, for all applicable properties for the 2023 Taxation Year.
2. City Council consider the supplementary report from the Chief Financial Officer to accompany this item.

SUMMARY AND COMMENTS

The past weeks have caused confusion, anxiety and frustration for thousands of Torontonians.

Vacant Home Tax notices landed in mailboxes of people who did not know the City was asking them to declare occupancy. People who live in their homes. People who have tenants living in units. They now believe they owe the City thousands of dollars when they don't.

That's not fair. The design of the program was approved December 2021 and is clearly flawed. This has caused hardship, especially for seniors who can't access online tools or those who cannot read English. How we administer the Vacant Home Tax program must be rebuilt from scratch.

The Vacant Homes Tax exists for a good reason: to make more homes available to people. It's meant to discourage speculators who leave units empty during our housing

crisis. Homes that people could live in today. The funds we collect from speculators can be re-invested in more affordable housing, like the Multi-Unit Residential Acquisition program.

We are fixing this mess. The Vacant Homes Tax needs to be administered in a simple, fair way. People need to know now that if their home was occupied last year, there is no need to pay. The charges will be canceled with no late fee. The City needs to send a clear message to all Torontonians: the onus is on City Hall to fix it, and we're taking action.

Budget Chief Carroll and I have worked with City staff to take swift action. City staff at City Hall and Civic Centres, through 311 and at Revenue Services have already helped more than 90,000 households reverse the charges.

More must be done to fix the mess this year and ensure next year is delivered fairly. Budget Chief Carroll and I have asked City staff to bring forward a supplementary report on this item to City Council on waiving the \$21 late fee for this year, communicating with impacted Torontonians that if your home was occupied you do not need to pay, and reviewing the program design for next year, including the feasibility of using utility data to improve the system.

SIGNATURE

Olivia Chow
Mayor