

SCHEDULE 20 • Taxation Information

General Information

This schedule contains six sections related to property taxation policy options available to municipalities under the Ontario Fair Assessment System:

1. Optional Property Classes in Effect
2. 5% Capping Limit Program
3. Graduated Taxation (Tax Bands)
4. Phase-In Program in Effect
5. Rebates for Eligible Charities

The parameters for these programs are determined by upper-tiers (or single-tiers), but all municipalities should complete these sections. The following section was previously shown on Schedule 80, and only applies to single-tiers and lower-tiers. It should be completed by single-tier or lower-tier municipalities only:

6. Property Tax Due Dates for Current Year

General information is provided on each of these topics in the instructions below. Further information is also available in the OPTA Manual at the On-Line Property Tax Analysis (OPTA) website:

<http://opta.reamined.on.ca>

1. OPTIONAL PROPERTY CLASSES IN EFFECT

Municipalities have the option of selecting various 'optional property classes' within the commercial, and industrial property classes.

Optional property classes for Commercial include Parking Lots (G), Office Buildings (D), and Shopping Centres (S). The optional property class for Industrial is Large Industrial (L). The New Multi-Residential class is also considered an optional property class.

Please indicate which of these optional property classes have been implemented in the municipality by entering "Y" for Yes and "N" for No in column 2.

2. 5% CAPPING LIMIT PROGRAM

Beginning in 1998, municipalities were required to limit assessment reform related property tax increases for Commercial, Industrial, and Multi-residential property classes to 10% in 1998, a further 5% in 1999, and a further 5% in 2000. For 2001 and onwards, the 5% Capping Limit Program was continued by limiting assessment reform related property tax increases by a further 5% in 2001, and an additional 5% each year thereafter (Bill 140).

Beginning in 2001, Municipalities could opt to fund all of the protection costs within class resulting from Capping the property tax increases by limiting tax decreases, or choose to fund all or a portion of the protection costs by other means.

Column 2 Is a Portion of the 5% Capping Limit Program Funded by the Municipality?

If all or part of the cost of protection has been funded by the municipality, enter “Y” for Yes. If the cost of protection has been totally funded by minimizing the property tax decreases within class (ie. Revenue Neutral approach) enter an “N” for No. Otherwise, if the Capped property class does not exist in the municipality, or there are no properties in the Capped property class requiring protection, enter “NA” for Not Applicable.

Column 3 Decrease - Percentage Retained

Enter the Percentage Share of the Decrease retained by properties which would have experienced a decrease in taxation.

If the total cost of protection of the 5% Capping Limit program has been funded by the municipality, the decrease-percentage retained should equal 100%.

If the cost of protection has been totally funded by minimizing the property tax decreases (ie. Revenue Neutral approach), the decrease percentage share should be between 0% and 100%.

Column 4 Amount of Protection

The Amount of Protection refers to the amount that is protected from tax increases for the capped properties. This amount is the difference between the Current Value Assessment (CVA) taxes levied on these properties for the year, and the capped taxes for these properties.

This total amount of protection which is funded by the municipality, or funded by reducing the property tax decreases should be reported in this column.

For Municipalities that use the OPTA system, these amounts are displayed on the summary lines of the frozen capping report that Municipalities use for tax billing purposes.

3. GRADUATED TAXATION (TAX BANDS)

Municipalities have been provided with the option of applying lower tax rates to lower-valued Commercial and Industrial properties.

Municipalities accomplish this by creating 2 or 3 Tax Bands of assessed value (CVA) to which different tax rates are applied.

Two tax bands will be shown throughout the FIR as:

| | |
|---|---------------|
| L | Low Tax Band |
| H | High Tax Band |

Three tax bands will be shown throughout the FIR as:

| | |
|---|-----------------|
| L | Low Tax Band |
| M | Middle Tax Band |
| H | High Tax Band |

Example 1: Municipality sets two CVA tax bands, with a CVA Boundary of \$400,000, and the low tax band rate set at 75% of the high tax band rate

| Tax Bands | CVA Range | Tax Rate |
|-------------------|----------------|-----------|
| Low tax band (L) | \$0 to 400,000 | 3.000000% |
| High tax band (H) | \$400,000 + | 4.000000% |

The Low tax band rate of 3.0% is applied to \$400,000 of CVA on all properties in the banded class. If the CVA for a property is greater than \$400,000, the Low tax band rate of 3.0% is applied to the first \$400,000 of CVA, and the High tax band rate of 4.0% is applied to the remaining CVA.

You will notice that the Low tax band rate is 75% of the High tax band rate (ie. $3.0\% / 4.0\% \times 100$), and the CVA Boundary between the 2 tax bands is \$400,000.

Example 2: Municipality sets three CVA tax bands, with CVA Boundaries of \$500,000 and \$800,000, along with the low tax band rate set at 60% of the high tax band rate, and the middle tax band rate set at 80% of the high tax band rate

| Tax Bands | CVA Range | Tax Rate |
|---------------------|----------------------|-----------|
| Low tax band (L) | \$0 to 500,000 | 3.000000% |
| Middle tax band (M) | \$500,000 to 800,000 | 4.000000% |
| High tax band (H) | \$800,000 + | 5.000000% |

Similar to example 1, the tax rates for each tax band are applied to CVA within the specified Ranges. Properties with lower CVA values will experience lower tax rates compared to higher valued properties in the class.

The Low tax band rate of 3.0% is applied to \$500,000 of CVA on all properties in the banded class.

If the CVA for a property is between \$500,000 and \$800,000 the Low tax band rate of 3.0% is applied to the first \$500,000 of CVA, while the Middle tax band rate of 4.0% is applied to the remaining CVA.

If the CVA for a property is greater than \$800,000 the Low tax band rate of 3.0% is applied to the first \$500,000 of CVA, the Middle tax band rate of 4.0% is applied to the next \$300,000 of CVA, and the High tax band rate of 5.0% is applied to the remaining CVA.

The Low tax band rate is 60% of the High tax band rate ($3.0\% / 5.0\% \times 100$), and the Middle tax band rate is 80% of the High tax band rate ($4.0\% / 5.0\% \times 100$).

The Low tax band CVA boundary is \$500,000 and the Middle tax band CVA boundary is \$800,000.

Column 2 Yes or No

Indicate whether graduated tax rates are in effect for the Commercial class and for the Industrial class by entering a “Y” for Yes or “N” for No.

Column 3 Number of Tax Bands

If Graduated Tax Rates (Tax Bands) exist in the Commercial class, enter the number of tax bands

which apply to the Commercial class on line 0610.

If Graduated Tax Rates (Tax Bands) exist in the Industrial class, enter the number of tax bands which apply to the Industrial class on line 0620.

Column 4 Low Band - CVA Boundary

This column should be completed if a municipality has opted for either two (Low and High) or three (Low, Middle, and High) taxation bands.

For two taxation bands, report the assessment value that separates the Low band from the High band in column 4, CVA Boundary.

For three taxation bands, report the assessment value that separates the Low band from the Middle band in column 4, CVA Boundary.

Column 5 Low Band - Percent of Highest Band Rate

This column should be completed if a municipality has opted for either two (Low and High) or three (Low, Middle, and High) taxation bands.

For two taxation bands, report the Low band tax rate as a percentage of the High band tax rate. (ie. $\text{Low band rate} / \text{High band rate} \times 100$) in column 5.

For three taxation bands, report the Low band tax rate as a percentage of the High band tax rate. (ie. $\text{Low band rate} / \text{High band rate} \times 100$) in column 5.

Column 6 Middle Band - CVA Boundary

This column should only be completed if a municipality opted for three taxation bands in the Commercial or Industrial property classes.

Report the assessment value that separates the Middle band from the High band in column 6, CVA Boundary.

Column 7 Middle Band - Percent of Highest Band Rate

This column should only be completed if a municipality opted for three taxation bands in the Commercial or Industrial property classes.

Report the Middle band tax rate as a percentage of the High band tax rate. (ie. $\text{Middle band rate} / \text{High band rate} \times 100$).

4. PHASE-IN PROGRAM IN EFFECT

Under the Ontario Fair Assessment System, municipalities were given the option of phasing-in property tax increases and decreases resulting from Province-wide Reassessment.

Please indicate whether a Phase-In program is in effect for each of the property classes listed in this section as shown below:

| Line | Property Class |
|------|---|
| 0805 | R Residential |
| 0810 | M Multi-Residential |
| 0815 | N New Multi-Residential |
| 0820 | C Commercial Includes G Parking Lot D Office Building S Shopping Centres |
| 0840 | I Industrial Includes L Large Industrial |
| 0850 | F Farmland |
| 0855 | T Managed Forest |
| 0860 | P Pipeline |

Municipalities which have opted for more than one Phase-In program, in any of the property classes, should only report the details of the more recent Phase-In program.

Column 2 Phase-In in Effect

For each property class, enter a “Y” for Yes, if a Phase-In program is in effect in the municipality. Enter “N” for No, if a Phase-In program is not in effect in the municipality.

Column 3 Year Phase-In Initiated

For each property class with a Phase-In program in effect, enter the year when the Phase-In program began. Municipalities could have opted for a Phase-In program in 1998, 2001 and /or 2003 (ie. During any reassessment year).

Column 4 Term of Phase-In

For each property class with a Phase-In program in effect, enter the total number of years the Phase-In program is in effect.

5. REBATE PERCENTAGE FOR ELIGIBLE CHARITIES (%)

This section refers to the rebate percentage for eligible charities set by the municipality under Section 361 of the new Municipal Act, 2001.

The rebate program must provide rebates of at least 40% of the property tax paid by eligible charities occupying property in the Commercial or Industrial property classes. Municipalities have the option to increase the rebate to a maximum of 100%, expand the rebate to other property classes, and apply the rebate to other organizations that are similar to charities.

Please enter the rebate percentage that is applied in the municipality.

NOTE: In Schedule 72, Continuity of Taxes Receivable, this rebate percentage is used to determine the adjustments on line 2099.

6. PROPERTY TAX DUE DATES FOR CURRENT YEAR

This part applies to Lower-tier/Single-tier municipalities only. Information related to Interim and Final property tax billings, including the number of installments and due dates for the first and last installments is captured in this part.

All due dates should be entered as eight digit numbers (YYYYMMDD). The first four digits represent the year. The second two digits represent the month and the last two digits represent the day. No spaces or slashes should be used.

For example, June 28, 2001 would be reported as 20010628

This section was previously reported in Schedule 80. Also, it has been expanded to allow municipalities to report property tax billings by the following property classes:

| Line | Property Class |
|------|--------------------------------------|
| 1210 | R Residential |
| 1220 | M Multi-Residential |
| 1230 | F Farmland |
| 1240 | T Managed Forest |
| 1250 | C Commercial |
| 1260 | I Industrial |
| 1270 | P Pipeline |
| 1298 | Other (Please provide a description) |

Column 2 INTERIM BILLING - Installments

Enter the number of installments for Interim property tax billings of each property class which is applicable in the municipality.

Column 3 INTERIM BILLING - First Due Date

Enter the due date for the first installment of the Interim property tax bill in column 3. Due dates should be entered as eight digit numbers (YYYYMMDD).

Column 4 INTERIM BILLING - Last Due Date

Enter the due date for the last installment of the Interim property tax bill in column 4. Due dates should be entered as eight digit numbers (YYYYMMDD).

Column 5 FINAL BILLING - Installments

Enter the number of installments for Final property tax billings of each property class which is applicable in the municipality.

Column 6 FINAL BILLING - First Due Date

Enter the due date for the first installment of the Final property tax bill in column 6. Due dates should be entered as eight digit numbers (YYYYMMDD).

Column 7 FINAL BILLING - Last Due Date

Enter the due date for the last installment of the Final property tax bill in column 7. Due dates should be entered as eight digit numbers (YYYYMMDD).