



VACANT UNIT TAX REBATE
PROGRAM AND VACANT AND
EXCESS LAND PROPERTY TAX
SUBCLASS REDUCTIONS

PUBLIC OPEN HOUSE

Township of Puslinch

June 20, 2018

Vacant Unit Tax Rebate Program

- Vacant Unit Tax Rebate Program introduced in 1998 - provides a tax rebate to owners of vacant commercial (30% rebate) and industrial properties (35% rebate).
- Rebates are shared between the Township, County of Wellington (County), and School Boards.
- Mandatory program was developed when provincial tax reform shifted business taxation from tenants to property owners.
 - Assisted property owners in times of economic downturn who now assumed tax liability whether or not their property was tenanted.
- Erin, Minto and Wellington North have incorporated their Vacant Unit Tax Rebate Program as part of their Community Improvement Plan. The remaining lower tiers in the County are in the process of considering the elimination of the program.

Municipalities Proposing to Phase-Out and Eliminate the Vacant Unit Tax Rebate Program

VACANT UNIT REBATE

TABLE 1: MUNICIPALITIES THAT PROPOSE TO PHASE-OUT AND ELIMINATE REBATE

Municipality	2017	2018	2019	2020
City of Brantford				
City of Peterborough				
Municipality of Charlton and Dack				
Prince Edward County				
Town of Parry Sound				
Town of Thessalon				
Village of Burk's Falls				
City of Toronto*				
Town of Espanola				
Town of Prescott				
City of Barrie				
City of Guelph				
City of Kawartha Lakes*				
City of Orillia				
City of Ottawa*				
City of St. Thomas				
District Municipality of Muskoka				
Elgin County				
Essex County				
Municipality of Dysart et al				
Municipality of Oliver Paipoonge				
Village of Hilton Beach				

Phase-out
Eliminate

Municipalities Proposing to Phase-Out and Eliminate the Vacant Unit Tax Rebate Program Cont'd

York Region				
City of Hamilton				
City of London				
City of Thunder Bay*				
Durham Region				
Haldimand County				
Halton Region				
Norfolk County				
Town of Gananoque				
Township of Nairn and Hyman				
City of Cornwall*				
Plummer Additional Township				
City of Greater Sudbury*				
Huron County				
Municipality of Chatham-Kent				
Peel Region*				
Town of St. Marys				

*Municipalities that proposed to modify the program prior to eliminating. For additional details, please see Table 4

Financial Implications of Eliminating the Vacant Unit Tax Rebate Program

Taxation Year	No. of Applicants	Township	County	Education	Total
2016	2	\$364	\$1,406	\$1,368	\$3,138
2017	2	\$377	\$1,453	\$1,315	\$3,145

The above two applicants have obtained the Vacant Unit Tax Rebate for three or more consecutive years.

Township has implemented a Community Improvement Plan (CIP) to encourage development. CIP provides financial grants to businesses that meet the eligibility criteria.

Vacant and Excess Land Property Tax Subclass Reductions

- Commercial and industrial properties or portions of these properties in the Vacant and Excess Land Property Tax Subclasses are taxed at a fixed percentage rate below the tax rate of the broad class.
- These properties are discounted at 30% to 35% of the full Commercial and/or Industrial rates.
- There is general support in the County of Wellington and lower tier municipalities for the elimination of the Vacant and Excess Land Property Tax Subclass Reductions for the 2019 taxation year pending consultation with the local business community.

Municipalities Proposing to Phase-Out and Eliminate the Vacant and Excess Land Property Tax Subclass Reductions

Municipality	2018	2019	2020	2021
City of Greater Sudbury				
City of St. Thomas				
Elgin County				
Town of Thessalon				
Village of Hilton Beach				
Town of Espanola				
Municipality of Oliver Paipoonge				
Township of Nairn and Hyman				
Durham Region				
Town of St. Marys				
Haldimand County				

Phase-out	
Eliminate	

TABLE 7: HOW MUNICIPALITIES WILL PHASE-OUT DISCOUNT

MUNICIPALITY	DESCRIPTION
Town of Espanola	<ul style="list-style-type: none"> Reduce commercial and industrial discounts to 15% in 2017
Durham Region	<ul style="list-style-type: none"> Reduce commercial discount to 20% in 2018 and 10% in 2019 Reduce industrial discount to 23.33% in 2018 and 11.67% in 2019
Town of St. Marys	<ul style="list-style-type: none"> Reduce commercial and industrial discounts to 20% in 2018 and to 10% in 2019
Haldimand County	<ul style="list-style-type: none"> Reduce commercial discount to 22.5% in 2018, 15% in 2019 and 7.5% in 2020 Reduce industrial discount to 26.25% in 2018, 17.5% in 2019 and 8.75% in 2020

Financial Implications of Eliminating the Vacant and Excess Land Property Tax Subclass Reductions

- The additional estimated 2018 taxation revenue associated with no longer providing tax reductions for commercial and industrial properties or portions of these properties in the Vacant and Excess Land Property Tax Subclasses are outlined below:

Township	County	Total
\$17,968	\$70,617	\$88,585

- A total of 36 properties that may be slightly impacted.

Benefits to Phase-Out or Elimination of Rebates and Reductions

- Eliminates the duplication of tax reductions as vacancy is presently accounted for in MPAC's valuation assessment.
- Eliminates the disparity with residential properties.
- Promotes tax equity – all properties pay annual taxes based on current value assessment.
- Promotes healthy communities – reduces vacancies and derelict buildings.
- Encourages landlords to best utilize their properties.
- Eliminates administration costs.
- Municipal and MPAC staff have more time to focus on building and maintaining the assessment base.
- Reduces costly and time consuming appeals to the Assessment Review Board

QUESTIONS OR
COMMENTS?
