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## An Open Letter to property owners in the Unincorporated Territory

I am writing to follow up on your interest in Provincial Land Tax (PLT) Reform.

As you may be aware, the government is in the final stages of Provincial Land Tax (PLT) reform and will be completing the move to Current Value Assessment (CVA) for the Unincorporated Territory. This will create a modernized and fair property assessment system where properties in all of Ontario are assessed in a similar manner.

At least two-thirds of property owners in the Unincorporated Territory are familiar with CVA, as it is the current base for municipal, education and interim-Provincial Land taxation in Ontario. When the province moved to the CVA format in 1998, it was not applied to properties in the unincorporated territory, even though assessed values of those properties have increased since the last assessment in the 1940s.

The government has received input from residents of unincorporated territories, stakeholders, and Provincial Members of Parliament.

Recognizing the need for fairness must be balanced with an approach that does not result in significant increases, the input of Bill Mauro, MPP, Thunder Bay – Atikokan, was key in providing suggestions on behalf of his constituents to ensure property owners do not face sharp increases in required tax payments.

As a result of these discussions, the province is implementing policy that respects property owners while ensuring that the government does not increase tax revenue as a result of reassessment in unincorporated territory.

The minimum tax will remain \$6 per year. As noted earlier, while assessed values have increased since the last assessment in the 1940s, the government will reduce PLT rates to offset the increase.

For example, the pre-reform PLT rate is 1.5 per cent (.015) for all properties in the unincorporated territory. However, the post-reform PLT rate for residential property will be significantly less - no higher than 0.0023 within school boards, and no higher than 0.0004 outside school boards.

Under this reform, approximately half of properties will see a tax decrease. Of those properties experiencing a tax increase, about 90 per cent will see an increase of less than \$150.

In order to help property owners estimate the impact of reform on their own properties, I am attaching a worksheet that includes maximum tax rates for each class of property. The appropriate tax rate, multiplied by an estimate of the 2008 value of your property, will give you an approximation of the PLT payable annually for 2009 to 2012.

The enclosed tax rates are based on analysis of 2005 assessed values. They may change as a result of the 2008 reassessment. The final tax rates will not be higher than those published in the attached worksheet and may be set lower.

You may already be aware that the government will be holding information sessions to further discuss these reforms, their impacts and potential benefits. A copy of the invitation to these sessions was mailed to you earlier and I have enclosed another copy for your convenience. You may wish to contact 1-866-668-8297 for further information.

Thank you for your interest in this issue.

Yours truly,

“Original Signed By”

Dwight Duncan  
Minister of Finance

## How to Estimate Provincial Land Tax Payable for 2009-2012

The minimum tax will remain \$6.00 per year. Table One shows the maximum tax rates for 2009-2012 based on analysis of 2005 assessed values. The tax rates may change as a result of the 2008 reassessment. The final tax rates will not be higher than those published in Table One and may be set lower.

**Table One: Maximum PLT Tax Rate for each Property Class 2009-2012**

Property Class	Maximum Tax Rate inside School Boards	Maximum Tax Rate Outside School Boards
Residential / Multi-residential	0.0023	0.0004
Farmland / Managed Forest	0.0006	0.0001
Commercial	0.0012	0.0012
Industrial	0.0006	0.0006

Using the formula in the table below, property owners can calculate their property tax bill by multiplying their assessment amount by the appropriate tax rate in Table One.

Estimated Value of Property in 2008 (what is the property worth?)	multiplied by	Maximum PLT Tax Rate 2009-2012 (from Table 1)	equals	PLT Payable annually 2009-2012
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### Examples

If the estimated value of a residential property inside school board boundaries was \$54,000, multiply by the maximum PLT rate for residential properties inside school boards of 0.0023. The estimated PLT bill is \$124.20 per year from 2009 to 2012.

If the estimated value of a farm property outside school board boundaries was \$54,000, multiply by the maximum PLT rate for farm properties outside school boards of 0.0001. The estimated PLT bill would \$5.40, and the minimum tax of \$6.00 per year from 2009 to 2012 would be payable.

	Estimated Value of Property in 2008	x	Maximum PLT Tax Rate 2009-2012 (from Table One)	=	Estimated PLT Payable annually 2009-2012
<b>Residential Inside School Board</b>	\$54,000	x	0.0023	=	\$124.20
<b>Farm Outside School Board</b>	\$54,000	x	0.0001	=	\$5.40 (\$6.00 minimum)

Please note that property owners within Local Roads Board or Local Services Board areas will continue to pay levies for these bodies. Property owners within school board boundaries will continue to pay education tax.