

2006 FINAL PROPERTY TAXES

Multi-residential, Commercial, & Industrial Property Classes

Tax Capping Program

Property taxes in the commercial, industrial and multi-residential property classes are calculated pursuant to the capping program. This program will continue until all properties reach their full Current Value Assessment taxation (CVA x tax rate).

The following table describes the steps used to calculate your 2006 tax levy, as required by the *Municipal Act, 2001*, pursuant to Part IX – Limitation on Taxes.

2006 CAPPING CALCULATOR		
	Description	Formula
A.	Previous Year's Annualized Taxes	Previous year's capped tax (incl. Supp/Omit)
B.	Previous Year's CVA tax	Previous year's uncapped tax (incl. Supp/Omit)
C.	Current Year's CVA Taxes before capping	CVA x Tax Rate(s)
D.	Municipal Levy Change	MLC % (see table below - 2006 Capping Limits line, 4)
E.	Current Year's CVA Taxes before levy change	$C / (1 + \text{MLC})$
G.	Tax Change Subject to Capping	$E - A$
H.	Annualized Tax Limit based on 2005 annualized	$A \times \text{Annualized Tax Limit}$ (see table below - 2006 Capping Limits, line 1)
I.	CVA Tax Limit based on 2005 uncapped tax	$B \times \text{CVA Tax Limit}$ (see table below - 2006 Capping Limits, line 2)
J.	2006 Capping Adjustment	Inc: If $G \geq 0$ then $\text{Min}(G, \text{Max}(H, I))$ Dec: $G \times \% \text{Decrease Limit}$ (see table below - 2006 Capping Limits, line 5)
K.	Municipal Levy Change Adjustment	$(A + J) \times D$
L.	2006 Adjusted Taxes – pre threshold	$A + J + K$
M.	CVA Tax Threshold Adjustment	If $C - L = \text{within threshold limit}$, then $C - L$, else 0 (see table below - 2006 Capping Limits, lines 3a,b)
N.	2006 Adjusted Taxes	$L + M$

During the 2004 provincial budget, the Minister of Finance announced that a number of new reforms affecting assessment and taxation would be in place for the 2005/2006 taxation year. The capping reforms provide municipalities with options to accelerate the movement of capped properties to full taxation through the following options:

1. Increase the annual cap from 5% to up to 10% of the previous year's annualized taxes (Annualized Tax Limit); and/or
2. Implement a minimum annual cap based on up to 5% of previous year's annualized CVA (uncapped) taxes (CVA Tax Limit); and/or
3. Move capped (Increasers) or clawed-back (Decreasers) tax directly to CVA tax if it is within \$250 of CVA taxes (CVA Tax Threshold).

The 2006 capping options adopted by Council to set the 2006 limits, as well as the capping factors used in calculating 2006 capped taxes are listed in the table below.

Capping Option		2006 Capping Limits/Factors		
		Multi-residential	Commercial	Industrial
1	Annualized Tax Limit	5%	10%	10%
2	CVA Tax Limit	n/a	5%	5%
3 a	CVA Tax Threshold – Increases	n/a	\$250	\$250
3 b	CVA Tax Threshold – Decreases	n/a	\$250	\$250
	New To Class Limit	80%	80%	80%
Capping Factors		Multi-residential	Commercial	Industrial
4	Municipal Levy Change (MLC)*	5.1929%	4.3365%	4.3815%
5	Decrease Limit	46.3173%	54.6742%	69.9206%
6	Clawback Limit	53.6827%	45.3258%	30.0794%

*The municipal levy change is the 2006 budget tax increase. Residential property 2006 budget tax increases range from 5.4 - 6.3%.

Tax rebate program for vacant units in commercial & industrial buildings

Owners of eligible property must submit an application in order to receive a rebate. The deadline to submit applications for a tax year is February 28 of the following year. Eligibility criteria and applications are available on our website www.cityofkingston.ca/taxrebates or by contacting our Taxation Services representatives at 613-546-4291 extension 2015.

Approved 2006 Minutes of Settlement / Request for Reconsideration of Assessment

A number of tax bills have been updated to reflect approved assessment changes for the 2006 tax year. If your assessment has changed and is not reflected in this bill, please call our Taxation Services representatives at 613-546-4291 ext. 2015 to determine when the adjustment will be processed.

Transition tax ratios – 2006 changes

Each year Council must set property class tax ratios as required in the *Municipal Act*. Tax ratios are used to distribute the tax burden among property classes. As a result of the 2006 reassessment additional taxes were being shifted onto the residential property class. To mitigate this shift, Council approved a recommendation “that revised tax ratios not exceed the provincial threshold for any class”. Commercial and multi-residential tax ratios have been revised to the extent allowable. Tax ratios are listed in the 2006 tax rate schedule printed on your tax bill.

Questions or Concerns

If you require any additional information, please contact our Taxation Services representatives at 613-546-4291, extension 2015. Our office hours are 8:30 a.m. to 4:30 p.m., Monday to Friday; or contact us by e-mail at tax@cityofkingston.ca. Please visit our Web site at www.cityofkingston.ca.