



2007 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 multiplied by tax rate).

The following table describes the steps used to calculate your 2007 tax levy, as required by the *Municipal Act, 2001*, pursuant to Part IX – Limitation on Taxes.

2007 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. Overall Levy Change	OLC % (see table below – 2007 Capping Factors line, 4)
E. Current Year's CVA Taxes before levy change	$C / (1 + OLC)$
G. Tax Change Subject to Capping	$E - A$
H. Annualized Tax Limit based on 2006 annualized taxes	A x Annualized Tax Limit (see table below – 2007 Capping Options, line 1)
I. CVA Tax Limit based on 2006 uncapped tax	B x CVA Tax Limit (see table below – 2007 Capping Options, line 2)
J. 2007 Capping Adjustment	If $G \geq 0$ then $\text{Min}(G, \text{Max}(H, I))$ If $G < 0$ then $G * \text{Decrease \% Retained Limit}$ (see table below - 2007 Capping Factors, line 5)
K. Overall Levy Change Adjustment	$(A + J) \times D$
L. 2007 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 - 2007 Capping Options, lines 3a,b)
N. 2007 Adjusted Taxes	$L + M$

The *Municipal Act* provides a number of the capping options that will accelerate the movement of capped properties to full taxation.

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).
4. Set capping limits to apply to properties that are new to the capping program.

The 2007 capping options adopted by Council to set the 2007 limits, as well as the capping factors used in calculating 2007 capped taxes, are listed in the table below.

		2007 Capping Options/Factors		
Capping Options		Multi-residential	Commercial	Industrial
1	Annualized Tax Limit	5%	10%	10%
2	CVA Tax Limit	n/a	5%	5%
3 a	CVA Tax Threshold – Increasers	n/a	\$250	\$250
3 b	CVA Tax Threshold – Decreasers	n/a	\$250	\$250
	New To Class Limit	90%	90%	90%
Capping Factors		Multi-residential	Commercial	Industrial
4	Overall Levy Change (OLC)*	4.9089%	2.5585%	2.4104%
5	Decrease % Retained Limit	42.5024%	62.3943%	26.8973%
6	Decrease % Clawback Limit	57.4976%	37.6057%	73.1027%

*The overall levy change is the 2007 tax increase, which includes both municipal and education tax rate changes. (In comparison, residential property overall tax increases range from 3.5% – 4.1%).

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 2007 Minutes of Settlement / Request for Reconsideration of Assessment

A number of tax bills have been updated to reflect approved assessment changes for the 2007 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 – 2007 ratios

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. The 2007 tax ratios adopted by council are unchanged from 2006. Tax ratios are included in the tax rate schedule, which is printed on your tax bill.

Tax rebate program for eligible charities

Eligible charities must submit an application in order to receive a rebate. Landlords are required to complete a declaration in the application, and must provide a copy of the tax bill and a statement of calculations for tax amounts billed to the charity. 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.

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 email at tax@cityofkingston.ca. Please visit our web site at www.cityofkingston.ca.