



## 2008 FINAL PROPERTY TAXES

### Multi-residential, Commercial, and 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 2008 tax levy, as required by the *Municipal Act, 2001*, pursuant to Part IX – Limitation on Taxes.

2008 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 on page 2 – 2008 Capping Factors, line 4)
E. Current Year's CVA Taxes before levy change	$C / (1 + \text{OLC})$
G. Tax Change Subject to Capping	$E - A$
H. Annualized Tax Limit based on 2007 annualized taxes	A x Annualized Tax Limit (see table on page 2 – 2008 Capping Options, line 1)
I. CVA Tax Limit based on 2007 uncapped tax	B x CVA Tax Limit (see table on page 2 – 2008 Capping Options, line 2)
J. 2008 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 on page 2 - 2008 Capping Factors, line 5)
K. Overall Levy Change Adjustment	$(A + J) \times D$
L. 2008 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 on page 2 - 2008 Capping Options, lines 3a,b)
N. 2008 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 2008 capping options adopted by Council to set the 2008 limits, as well as the capping factors used in calculating 2008 capped taxes, are listed in the table below.

		2008 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	100%	100%	100%
Capping Factors		Multi-residential	Commercial	Industrial
4	Overall Levy Change (OLC)*	3.2538%	1.8198%	2.5994%
5	Decrease % Retained Limit	73.1105%	13.2628%	45.1993%
6	Decrease % Clawback Limit	26.8895%	86.7372%	54.8007%

\*The overall levy change is the 2008 tax increase, which includes both municipal and education tax rate changes. (In comparison, residential property overall tax increases range from 2.7% – 4.2%).

### **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](http://www.cityofkingston.ca/taxrebates) or by contacting our Taxation Services representatives at 613-546-4291 extension 2015.

### **Approved 2008 Minutes of Settlement / Request for Reconsideration of Assessment**

A number of tax bills have been updated to reflect approved assessment changes for the 2008 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 – 2008 ratios**

Each year Council must set property class tax ratios as required in the *Municipal Act*. Tax ratios distribute the tax burden among property classes. At its March 18, 2008 meeting Council approved a resolution “to a change in the tax ratio for the multi-residential property class, by lowering the ratio from 2.738939 to a target ratio of 2.1, and that the difference be phased-in over a maximum of 10 years, beginning in 2008 and concluding in 2017”. Commercial and industrial tax ratios remain unchanged. Tax ratios are printed on the tax bill in the tax rate schedule.

### **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](http://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](mailto:tax@cityofkingston.ca). Please visit our web site at [www.cityofkingston.ca](http://www.cityofkingston.ca).