



Vacancy Tax Rebate & Reduction Programs Review



Guidelines for participation

- Be respectful of all participants;
- Be open to all ideas;
- Adhere to the established process and time frame;
- Change process during a session only by group decision, if necessary;
- Allow everyone the opportunity to speak;
- Allow people to speak without interruption;
- Try to include everyone; and
- Turn cell phones off/mute.



What is a vacant unit rebate?

- Provides tax rebates to property owners who have eligible vacancies in commercial and industrial buildings.

Vacant unit rebate rates

Rebates are:

- 30 per cent for vacant commercial space
- 35 per cent for vacant industrial space.

Why was the program started in the first place?

- Program originally implemented to address the province's decision to move business occupancy tax liability from business tenants to property owners.

Who qualifies?

- Owners of commercial or industrial assessed property that are entirely or partially vacant

Who doesn't qualify?

- Residential and multi-residential property owners also experience vacancies however these properties are not eligible for the rebate.

What has changed?

- As of Jan. 1, 2017 the vacant unit rebate program is no longer provincially mandated
- Municipalities now have flexibility to tailor vacancy programs to reflect community needs and circumstances

Cost of the program

Year	Total Municipal Portion of Rebate	Number of Properties
2015	\$ 944,444	208
2016	\$ 930,603	187
2017	\$ 759,249	175

How does the program impact property taxes?

- The program is paid for by all property owners, including residential property owners.
- The City budgets \$950,000 for the municipal portion of the program.

Vacant and excess land

- Properties in the Vacant and Excess Land Subclasses are taxed at a fixed percentage rate below the tax rate of the broader class.

Discount rate

- 30 per cent of the full commercial rate
- 35 per cent of the full industrial rate.

Why propose changes?

- To tailor the rebate and reduction programs to local community needs.
- Council has directed City staff to gather input and feedback on available options and their impacts.

Some options for vacant unit rebate program

- Keep the program as is
- Eliminate the program immediately
- Phase out the program over a number of years
- Modify the program
- Other

Some options for vacant and excess land property tax subclass reductions

- Keep the discount rates at current levels
- Eliminate the discount rates immediately
- Phase out the discount rates over a number of years
- Modify the discount rates
- Other

Things to consider

- Program funded by all properties
- Vacant Unit Rebates reduce the taxes on vacant properties
- Chronically vacant properties may have an adjusted property assessment that already accounts for vacancies

How will feedback be used?

- Public input gathered through the online survey will be provided to council for consideration

Further Information

- Further information is available at GetInvolved.CityofKingston.ca

Questions or comments?





THANK YOU

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