



Tax Increase Capped

As part of the 2004 Province of Ontario budget, amendments to existing legislation were introduced providing new options to municipalities for the capping of assessment related tax increases on properties in the business classes. Commercial, industrial and multi-residential properties will be subject to municipal budgetary increases as well as the following capping and claw back parameters for 2011:

1. Assessment related property tax increases will be limited to an amount which is the greater of;
 - a. 10% of the previous year's annualized property taxes, or
 - b. 5% of the previous year's annualized property taxes at Current Value Assessment (CVA)
2. Properties that would be capped or would have a decrease clawed back but are within \$250 of full CVA taxes, will be moved to CVA taxes for 2011.
3. Properties that achieved full CVA tax in the prior taxation year (2010) will remain at their full CVA tax in the current year (2011).
4. Properties that change from being capped to clawed back from the prior year (2010) or changed from clawed back to capped from the prior year (2010) are now excluded from the capping calculation and will be moved to full CVA tax for the current year (2011).

New Construction

Commercial, industrial and multi-residential properties that are eligible for new construction or new to class treatment, pursuant to Section 331 of the *Municipal Act, 2001, as amended*, will be taxed at a minimum of:

- 100% of full CVA taxes for the 2011 taxation year

The details of the Tax Cap Adjustment for 2011 are shown on the property tax bill under the heading "Explanation of Tax Calculations 2011".