

Information Bulletin:

Property Tax Rebates for Vacant Commercial and Industrial Buildings

Starting in 2001, property tax relief for vacant commercial and industrial buildings will be provided to property owners through rebates that are issued by municipalities. This new rebate program is governed by section 442.5 of the *Municipal Act* and Ontario Regulation 325/01.

This bulletin describes the types of properties that are eligible for rebates, the application procedures, the method for calculating rebates, appeal mechanisms, and key deadlines.

PROPERTY THAT IS ELIGIBLE FOR A REBATE

To be eligible for a rebate, a building or portion of a building must satisfy the conditions described below.

Buildings that are Entirely Vacant

A whole **commercial or industrial** building will be eligible for a rebate if the entire building was unused for at least 90 consecutive days.

Buildings that are Partially Vacant

A suite or unit within a **commercial** building will be eligible for a rebate if, for at least 90 consecutive days, it was:

unused; and

clearly delineated or physically separated from the used portions of the building; and

either capable of being leased for immediate occupation, or

not capable of being leased for immediate occupation because it was undergoing or in need of repairs or renovations or was unfit for occupation.

A portion of an **industrial** building will be eligible for a rebate if, for at least 90 consecutive days, it was:

unused; and

clearly delineated or physically separated from the used portions of the building.

Exclusions

Seasonal Property: Businesses that operate on a seasonal basis are not eligible for a rebate for the seasons they are closed.

Leased Property: Buildings or portions of buildings that are vacant but are leased to a tenant are not eligible for a rebate.

Vacant Land Sub-Class: Buildings that are included in a vacant land sub-class (e.g. new buildings that have never been occupied) are not eligible for a rebate.

APPLICATIONS -- CONTENTS AND PROCEDURES

Property owners (or their authorized representatives) must submit an application to their local municipality in order to receive a rebate. Application forms may be obtained from local municipal offices.

Deadline for Submitting Applications

The deadline to submit applications for a tax year is **February 28** of the following year. (For example, for the 2001 tax year, the deadline to submit applications is February 28, 2002.)

However, if a property owner receives a notice of omitted assessment from the Municipal Property Assessment Corporation (MPAC) after a tax year, the deadline to submit an application for a rebate is 90 days after the date of issuance of the notice of omitted assessment.

Number of Applications

Property owners may submit a maximum of **two** applications per property per year. Specifically, they may submit either:

one application in respect of all vacancies that occurred on a property during the entire tax year;

-- or --

one application in respect of the vacancies that occurred during the first six months of the year and a second application for vacancies that occurred during the last six months of the year.

Contents of Applications

At a minimum, rebate applications must contain the following information:

name of property owner (and name of owner's representative if the application is made by an authorized agent on behalf of the owner);

municipal address of property;

roll number of property;

dates of vacancy;

description of vacant portion of property (suite number and floor number or description of location within building); and

size of vacant area in square feet.

The municipality or MPAC may contact an applicant to request further information to assist in verifying eligibility or identifying the vacant area.

Processing Applications

Applications will be processed through the following steps:

1. Property owner or authorized representative submits an application to the local municipality.
2. Municipality forwards a copy of the application to MPAC.
3. MPAC determines the assessed value that is attributable to the vacant area.
4. MPAC notifies the municipality of the value of the eligible vacant property.
5. Municipality calculates rebate and notifies property owner. Rebates may be issued as a credit against an outstanding tax liability or through direct payment to the property owner.

Application for Rebate of Property Taxes for Vacancies in Commercial and Industrial Buildings

Taxation year for which the application is being made
MUNICIPAL USE ONLY Application #

INSTRUCTIONS

- The **deadline** for submitting applications is **February 28** of the year following the taxation year to which the application relates.
- Deliver this completed application to your local municipal office.
- Any person who knowingly makes a false or deceptive statement in this application is guilty of an offence and, upon conviction, is liable for a fine.
- To be eligible for a rebate, a building or portion of a building must satisfy the conditions described in Category 1 or Category 2 below.

ELIGIBILITY (Please check to confirm eligibility.)

Category 1 - Buildings that are Entirely Vacant

A whole **commercial** or **industrial** building will be eligible for a rebate if:

- the entire building was unused for at least 90 consecutive days.

Category 2 - Buildings that are Partially Vacant

A suite or unit within a **commercial** building will be eligible for a rebate if, for at least 90 consecutive days, it was:

- unused; and
- clearly delineated or physically separated from the used portions of the building; and
- either capable of being leased for immediate occupation, or
 - undergoing or in need of repairs or renovations that prevented it from being available for lease for immediate occupation, or
 - unfit for occupation.

A portion of an **industrial** building will be eligible for a rebate if, for at least 90 consecutive days, it was:

- unused; and
- clearly delineated or physically separated from the used portions of the building.

Exclusions

A building or portion of a building will not be eligible for a rebate if:

- it is used for commercial or industrial activity on a seasonal basis;
- during the period of vacancy it was subject to a lease, the term of which had commenced; or
- during the period of vacancy it was included in a sub-class for vacant land.

Note: For complete information about eligibility and application requirements, refer to section 442.5 of the *Municipal Act* and Ontario Regulation 325/01.

For general information about the rebate program, you may refer to the Ministry of Finance bulletin entitled "Property Tax Rebates for Vacant Commercial and Industrial Buildings." This bulletin is available on the internet at www.gov.on.ca/FIN.

PROPERTY INFORMATION

Address (Number and Street)			Roll Number (See your notice of property assessment or your property tax bill, or contact your local municipality.)		
City/Town/Municipality, etc.	Province	Postal Code			
Owner's Name			Representative's/Agent's Name (if applicable)		
Mailing Address (Number and Street)			Mailing Address (Number and Street)		
City/Town/Municipality, etc.	Province	Postal Code	City/Town/Municipality, etc.	Province	Postal Code
Phone Number () () ()	Fax Number () ()		Phone Number () () ()	Fax Number () ()	

Commercial Industrial	Description of Vacant Area (Include unit/suite number, floor number, building number. Attach sketch if necessary.)	Size of Vacant Area in Sq. Ft.	Period of Vacancy (Must be at least 90 consecutive days.)						MPAC USE ONLY Assessment	MUNICIPAL USE ONLY Amount of Tax Rebate
			FROM day	month	year	TO day	month	year		
<input type="checkbox"/> <input type="checkbox"/>		sq. ft.								
<input type="checkbox"/> <input type="checkbox"/>		sq. ft.								
<input type="checkbox"/> <input type="checkbox"/>		sq. ft.								
<input type="checkbox"/> <input type="checkbox"/>		sq. ft.								
<input type="checkbox"/> <input type="checkbox"/>		sq. ft.								

List continued on Page 2

I certify that the information contained in all pages of this form and attachments is true and correct.			Total from Page 2	GRAND TOTAL
Name of Applicant (print)	Signature	Date		
MPAC USE ONLY Name of Assessor (print)	Signature	Date		
MUNICIPAL USE ONLY Name of Municipal Representative (print)	Signature	Date		

The information on this form is collected under the authority of section 442.5 of the *Municipal Act* and Ontario Regulation 325/01 and it will be used only for the purposes of determining eligibility for a property tax rebate and the amount of the rebate in respect of vacant commercial and industrial buildings. Questions about the collection of personal information should be directed to your local municipal office.

APPENDIX A – QUESTIONNAIRE

PLEASE COMPLETE THIS SECTION AND RETURN WITH YOUR SIGNED APPLICATION.

Please state the reason for the vacancy
(eg. Cessation of operations, termination of
lease, etc...)

Is the vacancy due to the seasonal nature of
the occupying business?

YES NO

If this application is for part of a property, how
is the vacant area separated from the area
still in use?

Is the vacant area normally leased to tenants?

YES NO

Is the vacant area currently leased?

YES NO

Has the area been leased again after the
period of vacancy?

YES NO

Is the area leased on short term (daily or
monthly basis)?

YES NO

Is the vacant area used by the owner for
storage or any other purpose?

YES NO

Is the space currently available for lease (if
commercial space only)?

YES NO

How is the availability being advertised?
Please provide contact name and number (eg.
Real estate broker, if applicable)

What event marked the start of the vacancy
period? (eg. Renovation, etc)

When or by what event do you expect the
vacancy to end? (eg. Completion of
renovation; sale of property; upturn of
business)
