

# 2023 PROPERTY TAX POLICY UPDATE

## 2023 REGIONAL MESSAGE

The Regional Municipality of York’s 2023 Budget is the first year of the 2023-2026 multi-year budget, which aligns with the current term of York Regional Council. With continued pandemic recovery, York Region is focusing on its longstanding commitment to meet the needs of a growing and changing population. The approved budget reflects Council’s decision to strengthen programs and fund critical investments in infrastructure, as well as the Region’s share of the Yonge North Subway Extension. The Region continues to build reserves for future needs to reduce reliance on debt and keep assets safe and reliable.

## INTRODUCTION

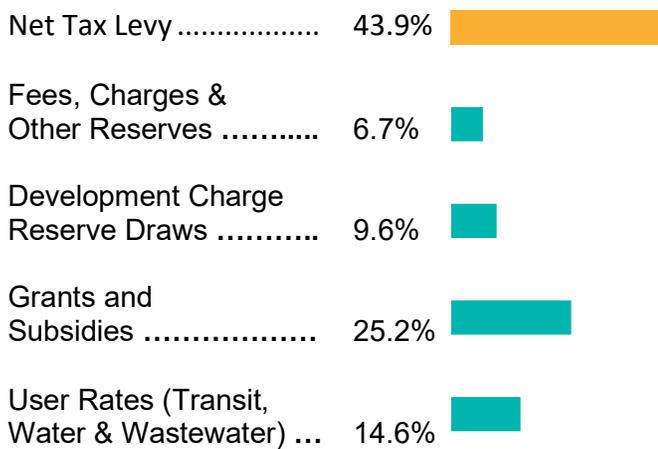
The Regional Municipality of York establishes tax ratios and tax rates to raise the amount of tax levy revenue approved by Council through the annual budget process. The budget results in a tax levy increase of 2.9% in 2023, and a special 1% tax levy to fund the Region’s share of the new Yonge North Subway Extension.

## 2023 BUDGET HIGHLIGHTS



### 2023 OPERATING FUNDING SOURCE

\$3.1 Billion



### WHERE DOES THE MONEY GO?

Net tax levy \$1.344 Billion



## CURRENT VALUE ASSESSMENT

Properties in Ontario are typically reassessed every four years with the 2020 taxation year intended to be the final year of the four-year phase-in of the updated current value assessment. Due to the COVID-19 pandemic the reassessment has been postponed. As a result, property values have been frozen at 2020 levels and will remain so at least through the 2023 taxation year. At this time no date for the new assessment has been announced.

# Regional Property Tax Ratios and Rates

## TAX RATIOS

York Regional Council establishes the relative tax share of each property class by setting tax ratios for the Region and its local municipalities. Property tax ratios determine how a property classification’s municipal tax ratio compares with that of the residential class, which has a tax ratio of 1.0.

In 2017, Regional Council approved revenue-neutral tax ratios for the 2017-2020 taxation years. Revenue-neutral tax ratios are calculated such that the same share of tax revenue is collected from each property class as in the prior year. In 2021 and 2022, as property reassessment was postponed, Council directed that 2020 taxation year ratios be maintained.

As a result of the continued assessment freeze, York Region maintained the 2020 taxation year ratios for the 2023 taxation year as well, to keep the share of the tax burden borne by each property class consistent.

## TAX RATES

2023 tax rates are determined by the approved budget, assessment values and tax ratios. The Regional property tax rates are calculated based on the following formula:

$$\text{Property Tax Rates} = \frac{\text{Total Property Tax Funding Requirement for 2023}}{\text{Weighted and Discounted Assessment for All Classes}} \times \text{Tax Ratio for the Class}$$

Tax rates are adjusted each year to raise the amount needed to fund the Region’s approved operating budget. Changes in the taxation rates from 2022 therefore only reflect the requirement to raise the necessary funds to meet the approved 2023 Budget.

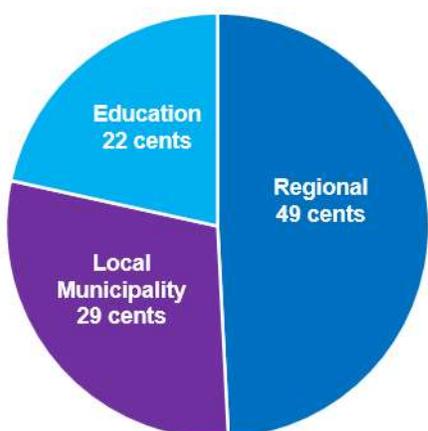
Broad Property Class	2023 Tax Ratios	2023 Tax Rates %	2022 Tax Rates %
Residential	1.0000	0.348892	0.335958
Multi-Residential	1.0000	0.348892	0.335958
Commercial	1.3321	0.464759	0.447530
Industrial	1.6432	0.573299	0.552046
Pipelines	0.9190	0.320632	0.308745
Farmland	0.2500	0.087223	0.083990
Managed Forests	0.2500	0.087223	0.083990

## HOW IS PROPERTY TAX CALCULATED?

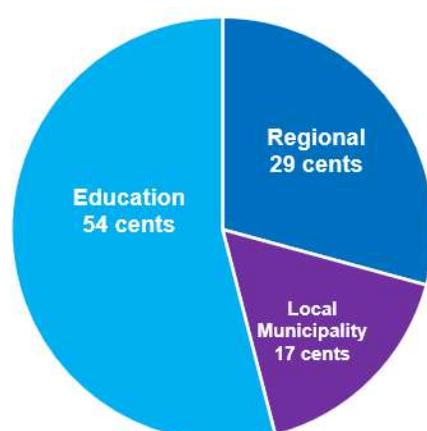


## Average Distribution of \$1 Property Tax in 2023

### RESIDENTIAL



### COMMERCIAL & INDUSTRIAL



# Regional Property Tax Policies

The Regional Municipality of York offers property tax discounts, rebates, and deferral programs, including:

Property Type/ Property Owner	Eligibility/ Criteria	Rebate/ Discount/ Deferral
Excess Land	Classified by Municipal Property Assessment Corporation	30% discount for commercial property  35% discount for industrial property
Vacant Land	Classified by Municipal Property Assessment Corporation	30% discount for commercial Property  35% discount for industrial property
Farmland Awaiting Development	Phase I – Registered plan of subdivision on the property	75% of the residential tax rate
Registered Charities	Registered charity as defined by subsection 248 (1) of the Income Tax Act	40% rebate of the taxes payable subject to annual application
Veterans Associations, Royal Canadian Legions, and Ontario Provincial Command	Defined by Section 6.1 of the Assessment Act	100% rebate of the taxes payable subject to annual application for Veterans Associations and Ontario Provincial Command  Royal Canadian Legions are exempt from property taxes
Seniors, Low-Income Pre-Seniors, and Low-Income Persons with Disabilities	Aged 65 or over	100% deferral of the tax increase subject to annual application
	Between 55 to 64 years of age who meet the following income criteria:  Single person: <b>\$23,000</b> or less  Family of two or more persons: <b>\$40,000</b> or less	Deferral of the tax increase in excess of \$100 subject to annual application
	Low-income persons with disabilities eligible to claim a disability amount as defined in the Income Tax Act.	100% deferral of the tax increase subject to annual application

## Other Property Tax Incentives

York Region property owners may be eligible for property tax relief measures offered by the Province of Ontario or their local municipality, including:

Program	Eligibility/ Criteria	Rebate/ Discount/ Deferral
<b>Tax Exemptions</b>	<p>The Province of Ontario provides incentives for residential units built or altered to accommodate senior(s) or person(s) with a disability.</p> <p>For more details on these programs, please contact the Municipal Property Assessment Corporation or visit Ontario.ca</p>	Tax reduction/exemption subject to application
<b>Ontario Senior Homeowners' Property Tax Grant</b>	<p>Aged 64 or over on Dec. 31, 2022 who meet the following income criteria:</p> <p>Single, divorced or widowed and income less than <b>\$50,000</b></p> <p>Married or living common-law, and combined income of less than <b>\$60,000</b></p> <p>The application is part of the income tax return.</p> <p>For more details, please check Ontario.ca and/or the annual Ontario income tax package on the Canada Revenue Agency website.</p>	Up to \$500, subject to annual application to the Canada Revenue Agency
<b>Property Tax Assistance for Seniors</b>	<p>The City of Richmond Hill, the City of Vaughan, and the Town of Newmarket offer property tax relief for eligible seniors.</p> <p>For more details on these programs, please contact your local municipality</p>	Tax grant/rebate
<b>Extraordinary Circumstances Tax Relief</b>	<p>The Township of King offers tax relief in extraordinary, unforeseen circumstances.</p> <p>Please contact the Township of King for more information.</p>	Tax deferral
<b>Relief for Brownfields</b>	<p>Owners and developers who redevelop vacant, abandoned and/or idle industrial and commercial sites within the existing urban boundary.</p> <p>For more details, please contact your local municipality.</p>	Tax incentives/postponements
<b>Incentives and Relief for Heritage Properties</b>	<p>The tax reduction for the Heritage Property Program, pursuant to section 365.2 of the Municipal Act, 2001 provides local municipalities with a tool to provide tax reductions or refunds with respect to an eligible heritage property.</p> <p>For more details on these programs, please contact your local municipality.</p>	Tax reductions or refunds

For additional information, contact:

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