

# Notice of Motion

## July 10, 1998

### Toronto City Council

#### **Re: Commercial Tax Policy Option**

**Whereas**, the adoption of the three year 2.5% cap option provided by Bill 16 for any and all of the commercial, industrial and multi-residential property classes preclude these classes from a tax increase of any kind, including a general or emergency levy, and;

**Whereas**, should the City of Toronto be required to collect additional funds related to a budget shortfall, emergency costs, amalgamation costs, provincial downloading or any unforeseeable future costs would be restricted to the residential property class alone or in combination with other uncapped property classes, and;

**Whereas**, CVA-related tax shifts in the residential property class have already saddled large numbers of taxpayers with unfair and unmanageable tax increases, and;

**Whereas**, residential property tax decreases would quickly be negated should a general tax increase, which excludes the commercial and possibly other capped property classes, become necessary, and;

**Whereas**, it would be unfair, irresponsible and unprecedented for Council to allow a situation which could cause residential property taxpayers to bear the full weight of a general tax increase, and;

**Whereas**, other options such as tax rebates, phase-in periods and the creation of separate commercial property classes, alone or in combination, provide similar tax relief to that that provided by caps, while at the same time protecting taxpayers in residential and other uncapped property classes from bearing the full weight of a general tax increase, and;

**Whereas**, adoption of the model described below would result in a 22% ceiling on tax increases for all properties in the first year and an 18.75% ceiling on tax increases for all properties each year thereafter, and;

**Whereas**, if, at the end of the (eight year) phase-in period described below, there were no further reassessment programs, **no property** would have experienced a tax increase of greater than 153.3% or 19.1% per year on average.

**Therefore Be It Resolved That:**

1. Toronto City Council create a separate tax class for office buildings.
2. Toronto City Council create a separate class for shopping centres.
3. Toronto City Council adopt graduated tax rates for the residual commercial class being:
  - i. 4.12% for the first \$400,000 of a property's assessed value.
  - ii. 7.75% for the remainder of the property's assessed value.
4. Toronto City Council provide tax rebates for properties receiving tax increases over 150%, to be financed by a 3.3% mill rate increase for all commercial properties.
5. Toronto City Council adopt an eight year phase in of all tax changes.