Ontario
Ministry of Revenue
PO Box 58
Thunder Bay ON P7C 0A5
1 866 400-2122
1 888 321-6774 TTY

Tax Rebate Program for Vacant Commercial and Industrial Buildings

If you own a commercial or industrial property that is partially or entirely vacant, you may be eligible for a rebate of taxes for the period of the vacancy.

This notice provides general information and does not replace the law found in the *Provincial Land Tax Act, 2006* and its regulations.

Who Qualifies?

The owner of a property, a building or portion of a building, that satisfies 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 it was, for at least 90 consecutive days:

- 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 it was, for at least 90 consecutive days:

- 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 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.

How the Program Works

You must complete an annual application for this program. The deadline for submitting an application is **February 28** of the year following the taxation year to which the application relates. Only original, signed applications will be accepted. Faxed copies are not acceptable.

The applicant must agree to **provide further information requested** by the Provincial Land Tax Office or the Municipal Property Assessment Corporation (MPAC) in order to demonstrate that eligibility requirements have been met.

Applications will proceed through the following steps:

1. Property owner or authorized representative submits an application to the Provincial Land Tax Office.
2. The Provincial Land Tax Office 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 Provincial Land Tax Office of the value of the eligible vacant property.
5. The Provincial Land Tax Office calculates the rebate and notifies the property owner. The rebate may be issued as a credit against an outstanding tax liability or through direct payment to the property owner.

Enquiries

For more information about the **Tax Rebate Program for Vacant Commercial and Industrial Buildings** or to obtain an application, please contact the ministry:

In Person	By Telephone	By Mail
Provincial Land Tax Office 500 Donald Street East Thunder Bay Ontario	1 866 400-2122 1 888 321-6774 (TTY)	Ministry of Revenue Provincial Land Tax PO Box 58 Thunder Bay ON P7C 0A5

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1 888 321-6774 TTY

Application for Tax Rebate

Vacancies in Commercial and Industrial Buildings

Under section 8 of the Provincial Land Tax Act, 2006

Clear Form | Print Form

Taxation Year Applied for:

Internal Use Only - Request No.

To apply for your tax rebate please submit this completed application to the ministry:

By Mail: Ministry of Revenue
Provincial Land Tax
Box 58
Thunder Bay ON P7C 0A5

In Person: Provincial Land Tax Office
500 Donald Street East
Thunder Bay Ontario

The ***deadline*** for submitting an application is **February 28** of the year following the taxation year to which the application relates. Applications received after this date will **NOT** be accepted. 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 and Exclusions *(Please check to confirm your eligibility.)*

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

Was this a building or portion of a building:

Yes	No	
☐	☐	used for **commercial** or **industrial** activity on a seasonal basis;
☐	☐	subject to a lease, the term of which had commenced during the period of vacancy, or
☐	☐	included in a sub-class for vacant land during the period of vacancy.

If you answered yes to any of the above, the property is not eligible for a rebate.

Note: For complete information about eligibility and application requirements, refer to section 8 of the *Provincial Land Tax Act, 2006* and Ontario Regulation.

Need more information? Contact us by:
- telephone at 1 866 400-2122, 1 888 321-6774 (TTY)
- writing to the Provincial Land Tax Office, Box 58, Thunder Bay ON P7C 0A5.

For general information about the rebate program, you may refer to the Ministry of Revenue notice entitled **Property Tax Rebates for Vacant Commercial and Industrial Buildings.**

Property Information *(Please complete the following information.)*

Name of Owner	Roll Number	
	Telephone Number	Fax Number
Legal Description		
Mailing Address - Number and Street / City, Town, Municipality / Province / Postal Code		
Representative/Agent Name *(if applicable) (A Letter of Authorization signed by the owner must accompany the returned form.)*		
	Telephone Number	Fax Number
Mailing Address - Number and Street / City, Town, Municipality / Province / Postal Code		

Commercial	Industrial	Description of Vacant Area *(Include unit/suite number, floor number, building number. Attach sketch if necessary.)*	Size of Vacant Area (Sq. Ft.)	Period of Vacancy *(Must be at least 90 consecutive days.)* From: Day / Month / Year	To: Day / Month / Year	MPAC Use Only Assessment	Internal Use Only Amount of Tax Rebate
☐	☐		sq. ft.				
☐	☐		sq. ft.				
☐	☐		sq. ft.				
☐	☐		sq. ft.				
							Subtotal from Additional Pages
							Total

If additional space is required, please attach details on a new sheet.

Certification

I certify that the information contained in all pages of this form and attachments is true and correct.

Name of Applicant *(please print)*	Signature	Date
Position/Title	Do you have the authority to bind the corporation/owner and to certify that the information is true and correct?	Yes ☐ No ☐

MPAC Use Only	Name of Assessor *(please print)*	Signature	Date

The personal information on this form is collected under the authority of the *Provincial Land Tax Act*, 2006 S.O. 2006, Chapter 33 Schedule Z.2 and will be used to determine eligibility for a refund, adjustment, deferral, rebate, relief or reduction of taxes under the *Act*. Questions about the collection should be directed to: Manager, Land Taxes, Audit, Inspection and Resource Taxes Branch, 33 King Street West, PO Box 625, Oshawa ON L1H 8H9, 1 866 ONT-TAXS (1 866 668-8297), extension 18114.

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Application for Tax Rebate
Vacancies in Commercial and Industrial Buildings
Under section 8 of the Provincial Land Tax Act, 2006

Sketch of Vacant Floor Area
(Please provide a sketch of the vacant floor area. Indicate the square feet, floor level and room or suite number identifying the unit and include any other pertinent details.)

Picture of Vacant Area
(Please also attach pictures of the building showing the vacant areas for which you are applying for the tax rebate.)

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Application for Tax Rebate
Vacancies in Commercial and Industrial Buildings
Under section 8 of the Provincial Land Tax Act, 2006

Taxation Year Applied for:
Internal Use Only - Request No.

Questionnaire

To facilitate the processing of your rebate application, the Provincial Land Tax Office requires that you answer the following, as well as provide any additional information as requested.

Roll Number *(See your Property Assessment Notice or contact the ministry)*

1. Please state the reason for the vacancy *(e.g. cessation of operations, termination of lease, etc.)*

	Yes	No
2. Is the vacancy due to the seasonal nature of the occupying business?	☐	☐

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

	Yes	No
4. Is the vacant area normally leased to tenants?	☐	☐
5. Is the vacant area currently leased?	☐	☐
6. Has the area been leased again after the period of vacancy?	☐	☐
7. Is the area leased on short term? *(daily or monthly basis)*	☐	☐
8. Does the owner use the vacant area for storage or any other purpose?	☐	☐
9. Is the space currently available for lease? *(if commercial space only)*	☐	☐

How is the availability being advertised?

Please provide contact name and number *(e.g. real estate broker, if applicable)*.

10. What event marked the start of the vacancy period? *(e.g. renovations, tenant moved out)*

11. When and by what event do you expect the vacancy to end? *(e.g. completion of renovations, sale of property, upturn of business)*

12. If the vacancy has ended, please indicate:

Name of New Tenant	Occupancy Date	Area Occupied

This Page for Internal Use Only

Calculations

Notes

Signature

Date

Application Rec'd by PLT	Application Sent to MPAC	Rec'd by PLT from MPAC	Date Approved, Rejected or Cancelled

Ontario

Property Tax Rebates for Vacant Commercial and Industrial Buildings

Information Bulletin

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.

AMOUNT OF REBATES

Calculation

Rebates will be calculated using the following formula:

$$\frac{\text{value of vacant area (1)}}{\text{assessed value of whole property (2)}} \times \text{taxes levied on whole property for the year (3)} \times \frac{\text{number of days of vacancy (4)}}{\text{total number of days in year (5)}} \times \text{30\% or 35\% (6)} = \text{Rebate}$$

Notes to Calculation Formula:

1. The assessed value of the vacant area will be determined by MPAC.
2. The assessed value of the whole property does not include portions of the property that are exempt from taxation or portions that are in a sub-class for excess land. In a mixed-use property, the assessed value of the property refers to the value attributable to the portion of the property that is in the same property class as the vacant portion.
3. The taxes on the whole property do not include taxes attributable to portions of a property that are in a sub-class for excess land. In a mixed-use property, the taxes of the whole property refer to the taxes attributable to the portion of the property that is in the same property class as the vacant portion.
4. Number of days of vacancy refers to the number of days that the property met the eligibility criteria within a tax year.
5. Total number of days in year will be 365 except in leap years when it will be 366.
6. The percentage will be 30% for commercial property and 35% for industrial property unless a municipality has passed a by-law to apply a common percentage to commercial and industrial vacancies between 30-35%

Sample Calculation:

Key Facts - Hypothetical Commercial Property:

1. Value of vacant unit = 80,000
2. Assessment of whole property = 800,000
3. Taxes on whole property for the year = $40,000
4. Duration of vacancy = 120 days (in a single tax year that is not a leap year).

(80,000 / 800,000) * $40,000 * (120 / 365) * 30% = Rebate of $394.52

Recalculation following Change to Assessment or Taxes

After a rebate has been issued, if a property's assessment is subsequently altered through a reconsideration, an appeal, or an application (under sections 39.1, 40 or 46 of the *Assessment Act*), or if the taxes of the property are subsequently reduced (under sections 442 or 443 of the *Municipal Act*), the rebate will be recalculated and the municipality will notify the property owner of any consequential tax adjustments.

APPEALS

Property owners who disagree with the amount of the rebate that is calculated by the municipality can appeal to the Assessment Review Board (ARB) within 120 days after receiving notification of the rebate amount from the municipality.

As well, if a municipality fails to process a rebate application within 120 days after the deadline for submitting applications (or within 120 days after the owner has provided all of the information required in support of the application, whichever date is later), the owner may appeal to the ARB to ask the Board to determine the amount of their rebate entitlement.

Appeals to the ARB must be submitted in writing and must be accompanied by the appropriate fee. Details about appeal forms and filing fees can be obtained from the ARB at:

Assessment Review Board
250 Yonge Street, 29th Floor
Toronto, ON M5B 2L7

Phone: 1-800-263-3237 or (416) 314-6900
Fax: (416) 314-3717
Web Site: http://www.arb.gov.on.ca

PENALTIES

A person who knowingly makes a false or deceptive statement in an application for a rebate is liable, upon conviction, to a fine of double the amount of the rebate that the person sought to obtain through their false or deceptive statement.

For the purpose of verifying a vacancy rebate application, municipalities have been given similar rights as assessors to request information and obtain access to premises. A fine of $100 per day may be imposed upon a property owner for failure to comply with a municipality's request for information.

FURTHER INFORMATION

For additional information about the process for submitting rebate applications, timing of payment of rebates, or calculation of rebates, please contact your **local municipal office.**

For general information about this rebate program, you may contact the **Ministry of Finance** .

Phone:
English: 1 800 263-7965
Français: 1 800 668-5821
Teletypewriter (TTY): 1 800 263-7776

Web Site:
English: http://www.fin.gov.on.ca/en/index.htm
Français: http://www.fin.gov.on.ca/fr/index.htm

Note The information in this document is provided for general reference purposes only. For complete information or for precise interpretation, please refer to section 442.5 of the Municipal Act and Ontario Regulation 325/01.

To obtain the most current version of this document, visit ontario.ca/finance and enter 591 in the find page field at the bottom of the webpage or contact the ministry at 1 866 668-8297 (1 800 263-7776 for teletypewriter).