

City of Peterborough

2011 Residential Tax Bills and Related Issues

Frequently Asked Questions (FAQ)

You can click on the links below to access the topics that interest you.

If you cannot find what you need to know here, you can call our tax office at 742-7777, Extension 1865 or email us at tax@city.peterborough.on.ca.

- [Assessment](#)
- [Tax Rates](#)
- [Tax Notice](#)
- [2011 Tax Changes](#)
- [Tax Relief Programs](#)
- [Differences in Tax Rates Between Property Classes](#)

Assessment

Q1. What does Current Value Assessment mean?

A1. Current Value Assessment (CVA) is based on the fair market value of your property as of January 1, 2008 and is defined as what a willing buyer would have paid for your property as of January 1, 2008.

Q2 My assessment has changed from what it was for the 2010 taxation year even though there were no physical changes to the property. How can that be?

A2 A general reassessment took place for the 2009 taxation year. All properties were previously valued based on a January 1, 2005 valuation date. This reassessment brought these values up to a January 1, 2008 valuation date.

In order to cushion the impact of the reassessment and allow taxpayers to budget, these new values are being phased-in equally over a four-year period at a rate of 25% per year.

The phased-in assessment program applies to all property types and only to properties that experience an increase in assessment. The increase considered is any positive change in value from the “starting assessment” being the value as of January 1, 2005 and the “destination assessment” being the value as of January 1, 2008. All increases are subject to the phase-in regardless of the amount. By the 2012 taxation year all properties are paying taxes on their full “destination assessment” being the January 1, 2008 value.

For example, a residential property where the January 1, 2005 value was \$200,000 and the January 1, 2008 value is increasing to \$240,000 experiences an overall value increase of \$40,000 or 20%. In past reassessments the \$40,000 CVA increase would have been realized in one year. With the new phase-in program, the final “destination” value of \$240,000 is not attained until year four. Chart 1 shows the affect of this sample assessment phase-in.

Sample Phase-in for a Property where the Assessment is increasing from \$200,000 to \$240,000.

Taxation Year	2008	2009	2010	2011	2012	2013
Valuation Date	Jan 1, 2005	Jan 1, 2008	Jan 1, 2008	Jan 1, 2008	Jan 1, 2008	Jan 1, 2012
CVA	\$200,000	\$240,000	\$240,000	\$240,000	\$240,000	--
Phase-In	--	25%	50%	75%	100%	--
CVA for taxation	\$200,000	\$210,000	\$220,000	\$230,000	\$240,000	--

Q3 What is a general reassessment?

A3 A reassessment is the process of updating the assessed values of all properties in a municipality to a common valuation date. In 1997, Ontario implemented legislation that required the assessed values of all properties in the Province to be calculated as at the same point in time - June 30, 1996. The legislation also requires the Municipal Property Assessment Corporation (MPAC), to update all assessed values on a regular basis.

All properties in Ontario were reassessed as of January 1, 2005 for the 2006 taxation year. Reassessments were to take place annually after that point. In 2006 when the Ontario Ombudsman reviewed the Municipal Property Assessment Corporation (MPAC), he made a number of recommendations. To give MPAC time to review and implement the recommendations, the Province declared a two-year moratorium or freeze on reassessments for the 2007 and 2008 property tax calculations.

This freeze is now over and once again all properties in the Province are being reassessed. The effective date for these new assessed values is January 1, 2008. These new assessment values will be used as a basis for the property tax calculation for the 2009 to 2012 taxation years inclusive.

Q4 Who carries out a reassessment?

A4 Property assessment is done by property assessors who work for MPAC. MPAC has field offices across Ontario. Each office is responsible for a specific area of the province, generally defined by county, region or district boundaries. More information about MPAC can be found on MPAC's homepage at <http://www.mpac.on.ca>.

Q5 Why isn't the reassessment done every year, so that assessed values are more up-to-date?

A5 Annual updates to assessed values were to start in 2008 with the valuation date being January 1st of the preceding calendar year. For example, the valuation date for the 2008 taxation year was January 1, 2005. However, on June 29, 2007, the Province cancelled the property tax re-assessments that were to occur in 2007 and 2008 to allow for the implementation of the Ombudsman's property tax assessment system recommendation. This freeze is now over and once again all properties in the Province are being reassessed. The effective date for these new assessed values is January 1, 2008. These new assessment values will be used as a basis for the property tax calculation for the 2009 to 2012 taxation years inclusive. The next reassessment is scheduled to take place in 2012 for the 2013 taxation year.

Q6 Was I notified what my assessed values for 2011 would be before now?

A6 Yes, you would have received a Property Assessment Notice in November of 2008 which set out the assessed values that would apply for the 2011 taxation year.

Q7 What is a Property Assessment Notice?

A7 A Property Assessment Notice is the document that MPAC sends to a property owner that tells the owner the assessed value of his or her property.

Q8 What type of information was on the Property Assessment Notice?

A8 The Notice contained an assessment roll number; a legal description of the property; the property classification; the assessed value of the property on January 1, 2005 as well as the new assessed value as of January 1, 2008 and the phased-in assessment value as of 2011; how to contact MPAC about information on the Notice; how to request a Request for Reconsideration (RFR), and how to appeal to the Assessment Review Board only if the process is not completed prior to the March 31st appeal deadline.

Q9 Could I have appealed my assessment when I received my Property Assessment Notice?

A9 Your Property Assessment Notice, sent to you by MPAC in November 2008, would have outlined the procedures to follow if you did not agree with your assessed value. At that time you could have contacted the local offices of MPAC and requested their representatives to have another look at the value through a process called "Request for Reconsideration" (RFR). If MPAC agreed, and adjusted your assessed value, the assessment would have been revised before MPAC turned the roll over to the City for tax billing purposes. If you were unable to reach a satisfactory agreement with MPAC through the RFR process, you could have submitted an official appeal to the Assessment Review Board (ARB) up until March 31st, 2011 for the 2011 taxation year. If you are still waiting for the results of the RFR process and do not agree once they are received, you still have 90 days from the receipt of the revised assessment to appeal to the ARB.

Q10 Is it too late to question my assessed value now that I have received my final tax bill?

A10 Yes, the deadline to file an RFR for the 2011 taxation year was March 31st, 2011. You can question your 2012 assessment from that point forward, but your 2011 phased-in assessment will remain as it was assessed. More information on the RFR process is available on MPAC's homepage at <http://www.mpac.on.ca> or you

can call MPAC at 1-866-296-6722.

Q11 I asked for a Request for Reconsideration (RFR), was successful, and have received Minutes of Settlement, yet the assessed value on the Final Tax Notice is showing the original amount. Why wasn't the value changed on my tax bill?

A11 All Minutes of Settlement and Requests for Reconsideration changes **received by the City** by June 30th, 2011 have been processed and the new assessment amounts are reflected on the Final 2011 property tax bills issued in July. However, the City has no control over when these assessment changes are received from MPAC. Those Minutes of Settlement and Requests for Reconsideration received after June 30th will be processed as soon as possible. For the Commercial, Multi-Residential and Industrial tax classes, any Minutes of Settlement received after May 13th will be processed but may require a capping adjustment. Minutes of Settlement received after this date will not be reflected on the final notice, but will be processed as soon as possible.

Q12 Should I pay the instalment amounts even though the assessed value on the tax bill has not been adjusted to reflect the Minutes of Settlement for the RFR?

A12 To avoid penalty and interest charges you should pay the instalment amounts as billed. If you are anticipating a substantial reduction, which will significantly reduce your instalments, you can calculate estimated, revised instalment amounts and pay the adjusted balance before the due date. If you need help estimating your revised instalment, call the **Tax office at 705-742-7777, Extension 1865**. If you have paid the original instalments, and you have a credit balance when the revised instalments are calculated based on the official "Notice of Settlement," we will issue a refund cheque that includes interest from the date of overpayment.

Q13 I appealed my assessed value to the Assessment Review Board (ARB) prior to the March 31st, 2011 deadline and am hoping that eventually my assessed value will be reduced when the ARB deals with my appeal. Should I pay the instalment amounts as indicated on the tax bills even though my assessed values may be changed by the ARB?

A13 It may be several months before we get the Minutes of Settlement from the ARB. Keep in mind the ARB is a separate Provincial organization over which the City has no control. We have no authority to change assessed values until we get a signed copy of the Minutes of Settlement from the ARB. When we do get your minutes of the ARB decision, detailed analyses must be performed to re-calculate capping/clawback adjustments. After this is done we will calculate revised instalments owing, and penalty and interest will be calculated from the original due

date on the revised amount. If your appeal is unsuccessful, penalties will have been accruing on the original balance and the full amount will be payable.

To avoid penalty and interest charges you should pay the instalment amounts as billed. If you are anticipating a substantial reduction which will significantly reduce your instalments you can calculate estimated, revised instalment amounts and pay the adjusted balance before the due date. For help with the calculation you can call the **Tax office at 705-742-7777, Extension 1865**. If you have paid the original instalments, and you have a credit balance when the revised instalments are calculated based on the official ARB decisions, we will issue a refund cheque that includes interest from the date of overpayment.

Q14 Why aren't Property Assessment Notices and tax bills sent at the same time?

A14 The main reason is that municipalities cannot calculate property taxes without having the assessed values. The Assessment Act requires MPAC to mail Property Assessment Notices to property owners at least 14 days prior to the delivery of the Assessment Roll to the municipality, which is typically in early December of the year preceding the current taxation year. The municipality then uses the total values from the Assessment Roll in their budgeting process to determine overall net levy requirements for the City which in turn is used to calculate the municipal tax rates.

Q15 How does Current Value Assessment relate to the amount of taxes I now pay?

A15 Tax rates, expressed as percentages, are applied to current value assessment to derive taxes payable. For example, an average Residential property assessed at \$197,500 will pay a combined \$2,770.41 in municipal and education tax (\$197,500 x 1.4027390%) in 2011.

Different tax rates apply for different property classes. See the **Tax Rate Questions and Answers** section for more information about tax rates.

Q16 Whom should I call if I have a question about the assessed value of my property?

A16 You should call MPAC at 1-866-296-6722. The tax office cannot answer specific questions regarding your assessment. Have your tax bill or assessment notice handy when you call so you can relay all the necessary information. More information on assessment issues is available on MPAC's homepage at <http://www.mpac.on.ca>.

Tax Rates

Q17 What are tax rates?

A17 Tax rates have been established for each class of property and are expressed as a percentage that will be multiplied by the assessed value (CVA) of a property to calculate property taxes. There is a municipal and education rate for each class.

Q18 What are the final 2011-municipal and education rates?

A18 The 2011 final tax rates for all classes are set out in this chart:

Property Class/ Subclass & Code	Municipal Tax Rate	Education Tax Rate	Total Tax Rate
Residential/ New Multi-Residential RTEP, RTES, RTFP, RTFS, NTEP, NTES, NTFP, NTFS	1.1717390%	0.2310000%	1.4027390%
Multi-Residential MTFP, MTFS, MTEP, MTES, MTN	2.2816220%	0.2310000%	2.5126220%
Commercial CTN, DTN, GTN, STN	2.0391770%	1.5733320%	3.6125090%
Commercial Excess/Vacant Land CUN, CXN, SUN, DUN	1.4274240%	1.1013324%	2.5287564%
New Commercial XTN, YTN, ZTN	2.0391770%	1.3300000%	3.3691770%
New Commercial Excess/Vacant Land XUN, XXN, YUN, ZUN	1.4274240%	0.9310000%	2.3584240%
Industrial Taxable ITN, LTN	2.7221840%	1.9300000%	4.6521840%
Industrial Excess/Vacant Land IUN, LUN, IXN, LXN	1.7694200%	1.2545000%	3.0239200%
New Industrial Taxable JTN, KTN	2.7221840%	1.3300000%	4.0521840%
New Industrial Excess/Vacant Land JUN, KUN	1.7694200%	0.8645000%	2.6339200%
Pipeline PTN	1.4888120%	1.3295430%	2.8183550%

Farmlands & Managed Forest FTEP, FTES, TTEP, TTES, R1EP	0.2929350%	0.0577500%	0.3506850%
---	------------	------------	------------

Q19 How are tax rates used to determine tax payable?

A19 You multiply the current value assessment of your property by the tax rate for your property’s tax class to derive tax on assessment. For example, if your house is assessed at \$197,500, your 2011 total municipal and education tax on assessment will be \$2,770.41, which is calculated by multiplying the \$197,500 assessed value by the 1.4027390% combined municipal and education tax rate.

$$(\$197,500 \times 1.4027390 / 100 = \$2,770.41)$$

Q20 How are the 2011 municipal tax rates established?

A20 The Municipal tax rates are established by City Council through the annual budget process and are a function of the City’s net municipal tax levy requirements (\$95.4 million) and total available current value assessment weighted by class (\$8.141 billion)

Q21 How are the 2011 education tax rates established?

A21 The education tax rates for all property classes are legislated by the Province. The rate for the residential and multi-residential classes has been set at 0.231% and the farmland rate for 2011 is 25% of the residential rate, or 0.0577500%. These rates are the same for all municipalities across Ontario. The education rates for the Commercial and Industrial classes are also regulated by the Province, but are specific to the City of Peterborough.

Q 22 What percentage of my tax bill goes towards education taxes?

A22 The percentage now varies depending on property class, but it can be calculated on a class basis by dividing the respective municipal and education tax rates for each class by the total tax rate for each class. As an example, the residential municipal rate is 1.1717390%, the education rate is 0.2310000% and the total combined rate is 1.4027390%. The Municipal rate equals 83.53% of the total (1.1717390/ 1.4027390 X 100) while the education rate equals 16.47% of the total (0.2310000 / 1.4027390 X 100). You can also compare the “Total Tax Levies” line on your tax bill to the municipal and education portions.

Tax Notice

Q23 What is the purpose of Schedule 2 that appears on page 2 of my tax notice?

A23 Schedule 2 on page 2 of the bill is provided for illustrative purposes only to help you track changes to your taxes from the year 2010 to 2011. It is not used to calculate your 2011 taxes but is intended to help you understand why your taxes have changed between 2010 and 2011.

Q24 What does “Final 2010 Levies” shown on Schedule 2 mean?

A24 This number is the amount of municipal and education tax on assessment levied against your property in 2010. The number may differ from the amount you actually paid because it does not include any local improvement charges or special credits but only assessed value times tax rates. It does include any supplementary billing that may have occurred.

Q25 What does “2010 Annualized Taxes” shown on Schedule 2 mean?

A25 2010 Annualized Taxes is determined by multiplying the 2010 year-end assessment times the final 2010 municipal and education tax rates. The 2010 year-end assessment is determined by MPAC and reflects what your assessment would have been at the end of the year 2010 before considering any reassessment impacts. It also reflects what your 2010 taxes would have been over the year 2010 assuming that the year end assessment had been in effect over the full year. In the majority of cases this box will be the same as the Final 2010 Levies figure, but it will be different if there were any changes to values or effective dates of assessment during the year.

Q26 My “2010 Final Taxes” figure, shown on Schedule 2, is different than my “2010 Annualized Taxes” but there were no changes to my assessed values or effective dates of assessment during the year 2010. How can that be?

A26 We based the “2010 Annualized Taxes” figure on the year-end assessed value for 2010 provided by MPAC in a special Year End Assessment CD that is used to do these calculations. In a number of cases, MPAC changed the updated year end 2010 assessed values on this special CD, to something different than what the 2010 taxes had been, to make some type of correction. In other words, with no general re-assessment taking effect for the year 2010, your assessed value for the year 2010 would have changed to this “2010 year end number”. This updated year end assessment for 2010 is not shown on your tax bill anywhere, but it should be stressed, however, that Schedule 2 is provided for illustrative purposes only and the 2010 annualized figure does not affect how your 2011 actual tax payable was calculated.

Q27 What does the “2011 Local Municipal Levy Change” shown on Schedule 2 mean and how is it calculated?

A27 The 2011 Local Municipal Levy Change shows the amount by which your 2010 tax on assessment has changed from the 2009 annualized amount because of a municipal 2010 budgetary increase for your class of property.

The levy change is calculated by taking your current year’s tax levy and deducting your current year’s assessment multiplied by last year’s tax rate. For example, if your assessment for 2010 is \$229,000 (2009 assessment was also \$229,000), last year’s Residential tax rate was 1.4380150% and the current year’s Residential tax rate is 1.4027390%, the calculation would be:

$$(229,000 \times 1.4027390\%) \text{ less } (229,000 \times 1.4380150) = \$ -80.78$$

For a year in which your property was not re-assessed, the levy change should simply equal the difference between your current year’s taxes and last year’s tax levy.

Q28 What does the “2011 Provincial Education Levy Change” shown on Schedule 2 mean and how is it calculated?

A28 The Provincial Education Levy Change shows the amount by which your 2011 taxes have changed from the 2010 annualized amount because of a change in the amount of Education Levy raised by the Province from 2010 to 2011. Normally the amounts are based on regulated formulas provided by the Province, which are quite complex.

However, the Province has stated that they have kept Education rates “revenue neutral.” That is, they have not raised more education levy in 2011, province-wide, even though their assessment base has increased due to the general re-assessment. Since they have decreased their education rates instead of increasing their total education levy, there is no provincial education levy change in 2011.

If that all seems confusing, it is!

Q29 What does the “2011 Tax Change Due to Reassessment” shown on Schedule 2 mean and how is it calculated?

A29 The 2011 Tax Change Due to Reassessment shows the amount by which your 2011 taxes have changed from the 2010 annualized amount because of reassessment impacts. This number is impacted by many factors including how much the total assessed value in your class of property increased City wide compared to your specific situation. It is also affected by what happened City wide with all other property classes. For a taxation year in which there hasn’t been a general re-assessment, this number will normally be zero.

Q30 Some years, the Tax Change Due to Reassessment shown on Schedule 2 shows an assessment related decrease, but my assessment has actually increased. How can that be?

A30 It is possible to have no increase in assessed values from one year to the next, or even an assessment increase, but have a negative “Tax Change due to Reassessment” on Schedule 2. It all depends on how much your assessment has increased compared to the total increase for the entire class. Anyone whose assessment has not changed, or has increased by less than the class’ average, or has actually decreased from the previous year’s annualized amount, will have an assessment related decrease reflected on Schedule 2 for that year. Anyone with an assessment increase greater than the average for the class will see an assessment related increase on Schedule 2.

Q31 What does the “Final 2011 Levies” shown on Schedule 2 mean and how is it calculated?

A31 Final 2011 Levies shows the total amount of municipal and education tax on assessment for the 2011 taxation year. This number is also reflected on the front page of your tax bill under the heading “Tax/Levy - Subtotal (Municipal and Education)”. It does not include special charges or credits, but is based on assessed value times the applicable 2011 tax rates.

On Schedule 2 the final 2011 levies should equal the 2010 annualized taxes *plus* local municipal levy change *plus* the 2011 Provincial Education Levy Change *Plus/Minus* the 2011 tax change due to reassessment.

Q32 Some of the boxes on Schedule 2 on my tax bill are blanks. How can that be?

A32 There are a few instances where a property did not exist as a separately assessed unit at the end of 2010 and therefore there was no 2010 final levy and/or 2010 annualized taxes to insert in Schedule 2.

2010 Change In Taxes

Q33 How much did “taxes” change in 2011?

A33 Taxes are a combination of assessment and tax rates.

The Municipal tax rates for the year 2011 for the residential class decreased by 2.11% and the education rates decreased 4.15% for an overall decrease of 2.45% in combined rates. A home assessed at \$189,500 for 2011 will pay a combined \$2,658.19 in municipal and education tax ($\$189,500 \times 1.4027390\%$), which would represent a \$66.85 decrease, assuming the home’s assessed value has not changed.

Your 2011 taxes, however, may change by some other percentage depending on, by how much, if any, your assessed value has changed.

Tax Relief Programs

Q35 What Municipal tax relief programs are available?

A35 The following table sets out the tax relief programs that are available from the City of Peterborough. If you require additional information, please call our tax office at 742-7777, ext. 1865 or e-mail us at tax@peterborough.ca.

< 55 Years Old	55-64 Years Old	65 Years Old and Over	Amount of Credit
Low Income Seniors Property Tax Assistance Program			
	<ul style="list-style-type: none"> - must be at least 55 and no older than 64 by Dec 31 of previous tax year - must solely own & occupy property (with spouse where applicable) - combined taxable income as reported on Line 260 of last year's Income Tax Notice of Assessment must be less than \$25,000 - must own property as of May 1st of current tax year 	<ul style="list-style-type: none"> - must be 65 or older by Dec 31 of previous tax year - must solely own & occupy property (with spouse where applicable) - applicant or spouse must be receiving Old Age Security and Guaranteed Income Supplement - must own property as of May 1st of current tax year 	<p>Tax Relief is calculated as the amount required to limit the 2011 property tax amount paid to no more than 2% more than the 2010 property tax paid (including any 2010 credit given), to a maximum credit of \$561.</p>
Low Income Disabled Property Tax Assistance Program			
	<ul style="list-style-type: none"> - must be receiving ODSP benefits & in receipt of maximum shelter allowance or in receipt of disability benefits under the Guaranteed Annual Income System - must solely own & occupy property (with spouse where applicable) - must own property as of May 1st of current tax year 		<p>Tax Relief is calculated as the amount required to limit the 2011 property tax amount paid to no more than 2% more than the 2010 property tax paid (including any 2010 credit given), to a maximum credit of \$561.</p>

Only one of the above credit programs is allowed per property. Above programs cannot be combined with the City's Heritage Designation Tax Credit Program.

Q36 What Provincial tax relief programs are available?

A36 The Ontario Property and Sales Tax Credit is available to Ontario residents aged 16 years and older and is claimed annually when filing your Income Tax Return. To receive this credit, you must be paying rent or property tax on a principle residence in Ontario.

Differences in Tax Rates Between Property Classes

Q37 Can Council make the Multi-residential municipal tax rate equal the Residential tax rate?

A37 Yes, Council can do this by lowering the Multi-residential tax ratio down to 1.00000 from its current level of 1.94721.

Q38 What are tax ratios?

A38 Tax ratios are used to weight Current Value Assessment, from different tax classes, which in turn cause their tax rates to be different. For example, since the 2011 Residential municipal tax rate is 1.1717390%, and the tax ratio of the Multi-residential class is 1.94721, the Multi-residential municipal tax rate will be $1.1717390\% \times 1.94721$ or 2.2816220%.

Q39 What is the “Mandatory Capping Program?”

A39 The “Mandatory Tax Capping Program” applies to Commercial, Industrial and Multi-Residential properties and limits, or “caps,” the amount of tax increases for properties in these tax classes. In each year, properties with tax increases will pay no more than the prior year's adjusted tax, plus the maximum of either 10% of the previous year's annualized tax or 5% of the previous year's CVA tax, plus the class' overall levy change. This procedure greatly complicates the calculation of net taxes payable and billing procedures and contradicts the basic goals articulated when the new CVA and tax system was implemented in 1998. The new system was touted as being fairer and simpler to understand as tax levels would be based on market value, and owners with similar valued properties in the same class would pay the same taxes. However, under the capping mechanism, properties of similar values in the same class pay a wide range of net taxes because of the capping adjustments. The capping adjustments limiting assessment related increases are financed from other properties within the class by limiting or “clawing back” decreases that would otherwise apply.

Q40 How would the Mandatory Capping program change the effects of decreasing the Multi-residential tax ratios?

A40 The impacts on the Residential municipal tax rate, from lowering the Multi-residential tax ratio, could even be more dramatic due to the mandatory capping

FAQ – Differences in Tax Rates Between Property Classes

program for Commercial, Industrial and Multi-residential properties. Capped properties cannot have increases greater than the maximum of either 10% of the previous year's annualized tax or 5% of the previous year's CVA tax and we would likely not be able to finance the caps within each class if the tax rates for each class increase.