

Tax Memo

Ontario Property Tax Alert:

Reduce a significant portion of your corporate tax burden

Companies often spend considerable funds to reduce their income tax, but tend to pay little attention to other taxes,¹ such as property tax. However, property tax is an annual recurring cost, so it deserves special attention.

Property tax is a significant and increasing expense that affects both property owners and tenants. It has a large subjective component that can cause significant confusion. Many corporations, individuals and other entities lack the specialized skill set to determine whether the assessed property taxes incorporate every possible advantage.

In Ontario, all properties have been reassessed in 2008 for tax years 2009, 2010, 2011 and 2012. Together with the new assessments, complicated legislative, valuation and tax changes will affect the property tax payable.

PricewaterhouseCoopers has the skills, knowledge and experience to ensure your property tax bill accurately reflects all reduction opportunities and that it is no more than what must be paid.

Critical Deadline

Specific and mandatory rules must be followed if you want to review or challenge your company's property assessment and levied taxes. Otherwise, all opportunities to review the assessment and taxes are lost for that year. The critical deadline is:

- March 31, 2009 – last date to file an appeal to the Assessment Review Board.

Rebates – not simple but profitable

Tax rebates for commercial and industrial taxed properties are possible for site specific issues – vacant portions, incorrect tax classification among others. Critical deadlines are:

- February 28, 2009 – last date for any opportunity for the 2008 tax year; and
- February 28, 2010 – last date for any opportunity for the 2009 tax year.

1. PricewaterhouseCoopers has published a study examining the total tax contribution of large businesses in Canada - taking into consideration all the taxes borne and taxes collected by businesses, not just income taxes. This study, called "Total Tax Contribution - Canada's tax regime: complexity and competitiveness," is available on www.pwc.com/ca/ttc.

Property Owners and Tenants can Protect Themselves

Real property tax recovery and property assessment appeals are confusing and have very specific rules. Sound advice from a property tax professional will improve your chances of success. You can manage property tax and ensure you are not paying more than your fair share.

A PricewaterhouseCoopers professional can help guide you through the often uncharted and murky waters of property assessment and property tax. For help with this complex but potentially lucrative opportunity, please contact us.

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