

The Payments in Lieu of Taxes Program



The Government of Canada's property is exempt from local taxation under the *Constitution Act, 1867*. However, since 1950, the federal government has shared in the cost of local government, where it owns property, by making payments in lieu of property taxes. The Payments in Lieu of Taxes Program is administered by Public Works and Government Services Canada (PWGSC) under the authority of the *Payments in Lieu of Taxes Act*. Across Canada, payments are made on approximately 22,500 federal properties located in almost 1,300 taxing authorities (such as municipalities, school boards and First Nations governments).

Key Program Features

- Payments are based on the principle of fairness respecting both the taxing authorities and the federal government and are equitable in comparison to other property owners.
- Payments are calculated on the basis of values and rates which would, in the opinion of the Minister of Public Works and Government Services, apply to federal property if it were taxable.
- Payments are made according to the property tax due dates established by taxing authorities and supplemental amounts may be paid if payments are late.
- The federal government should receive equal access to services provided to property owners by a host municipality.

Application Process

Taxing authorities that host federal property must submit an application for payments in lieu of taxes to PWGSC. Once an application is received by PWGSC, it is verified, eligibility of the federal property is confirmed, valuation reviews are performed, tax classes and applicable tax rates are confirmed and payments are issued.

Online Applications and Electronic Payments

Municipalities and other taxing authorities that host federal property can apply for their payments in lieu of taxes online and receive their payments electronically.

Dispute Advisory Panel

The Payments in Lieu of Taxes Dispute Advisory Panel has a mandate to provide advice to the Minister of Public Works and Government Services to assist in resolving disputes between the federal government and Canadian taxing authorities concerning payment amounts. If a taxing authority is in disagreement with a payment amount, it can request a review by the Payments in Lieu of Taxes Dispute Advisory Panel. For more information on how to proceed with a request, visit www.tpsgc-pwgsc.gc.ca/biens-property/peri-pilt/comite-panel-eng.html.



Contacts

For more information on the Payments in Lieu of Taxes Program, answers to frequently asked questions or to contact your local program office, visit www.tpsgc-pwgsc.gc.ca/biens-property/peri-pilt or call 819-956-7439.

