

City of Toronto: New Taxation Measures

Land Transfer Tax Implementation

On October 22, 2007, Toronto City Council approved a new land transfer tax which takes effect on February 1, 2008.

More details on implementation will be available at Executive Committee on October 29, 2007.

For all purchasers:

- one-half of one percent of the value of the consideration on sales up to and including \$55,000;
- one per cent of the value of the consideration on sales exceeding \$55,000 up to and including \$400,000;
- two per cent of the value of the consideration of land containing one and/or two single family residences exceeding \$400,000;
- one and a half per cent of the value of the consideration on commercial properties including multi-residential units exceeding \$400,000 up to \$40 million;
- one per cent of the value of the consideration which exceeds \$40 million.

Where the net revenue after transaction fees would result in revenue to the City of less than \$2.00, the purchase would be exempt from the Toronto Land Transfer Tax.

Purchasers with a Purchase and Sale agreement on or before December 31, 2007 will receive a full rebate of the Toronto Land Transfer tax regardless of the closing date.

Purchasers with a Purchase and Sale agreement signed after December 31, 2007 with a closing before February 1, 2008 will not be required to pay the Toronto Land Transfer tax.

Purchasers with a Purchase and Sale agreement signed after December 31, 2007 with a closing on or after February 1, 2008 will be required to pay the full Toronto Land Transfer tax.

For first time purchasers:

A rebate of up to \$3,725 will apply to first-time purchasers of both new and existing homes. This means a full rebate for first-time buyers of homes valued at \$400,000 or less. For example, a first-time purchaser of a home valued at \$600,000 would pay land transfer tax according to the scale shown above, and receive a rebate of \$3,725. A first time home buyer of a home valued at \$300,000 would get a full rebate on the land transfer tax.

For further information please refer to the [staff report](#).

Provincial Land Transfer Tax

For further information on the Provincial Land Transfer Tax please refer to the [Provincial website](#).

Alcohol Tax on Store Sales

For information on the Alcohol Tax on Store Sales please refer to the [Executive Committee Agenda](#) for Monday October 29, 2007.