

### Municipal tax account additional information

#### Adjusted value calculation for fiscal year 2023

On September 14, 2022, the Ville de Montréal tabled the new three-year property assessment roll, which will be in force on January 1, 2023. The Ville de Montréal, in accordance with section 253.27 of the *Act respecting municipal taxation* (CQLR, c. F-2.1), decided to average the variation in the taxable values resulting from the coming into force of the new roll. For taxation purposes, the variation between the total value of the unit of assessment entered on the roll as of December 31, 2022, and the one that came into effect on January 1, 2023, was spread over three years. It is this adjusted value that serves as the tax base.

#### Examples of averaging of variations in values

##### Immovable whose value increases

Taxable value as of December 31, 2022	\$500 000
Taxable value on the 2023-2025 roll	\$560 000
<b>Variation in value</b>	<b>\$60 000</b>

Year	Averaging of variation in value		Adjusted taxable value
2023	1/3 of the variation	\$20 000	\$520 000
2024	2/3 of the variation	\$40 000	\$540 000
2025	3/3 of the variation	\$60 000	\$560 000

##### Immovable whose value decreases

Taxable value as of December 31, 2022	\$500 000
Taxable value on the 2023-2025 roll	\$470 000
<b>Variation in value</b>	<b>(\$30 000)</b>

Year	Averaging of variation in value		Adjusted taxable value
2023	1/3 of the variation	(\$10 000)	\$490 000
2024	2/3 of the variation	(\$20 000)	\$480 000
2025	3/3 of the variation	(\$30 000)	\$470 000

#### Power to levy taxes

The *Charter of Ville de Montréal, metropolis of Québec* (CQLR, c. C-11.4), the *Cities and Towns Act* (CQLR, c. C-19) and the *Act respecting municipal taxation*, contain the provisions conferring the Ville de Montréal the power to levy taxes.

#### Tax base

The tax base is the immovable value entered on the property assessment roll or the adjusted value when averaging measures are applicable on which property taxes are based. Any change to the immovable during the period covered by the 2023-2025 roll may result in a revision of the value and therefore to the tax base.

#### General property tax

Under the *Act respecting municipal taxation*, any municipality may set several general property tax rates according to categories of immovables. The Ville de Montréal levies a general property tax with variable rates. The Ville de Montréal applies a differentiated rate mode for non-residential immovables based on the property value. The general property tax applies to all taxable immovables entered on the property assessment roll.

A rate per \$100 of taxable value is set for the following categories of immovables:

- serviced vacant lots
- non-residential immovables: a rate for the first value level which does not exceed \$900 000; and a rate for the value exceeding \$900 000
- immovables consisting of six or more dwellings
- residual (mainly comprised of immovables consisting of five or less dwellings). This represents the basic rate.

#### Tax on unserviced vacant lots

This tax is imposed at a rate per \$100 of taxable value on any unserviced vacant lot that constitutes a unit of assessment. It is added to the general property tax.

#### Special tax concerning water service

This tax is imposed to finance expenditures related to the supply of water. A rate per \$100 of taxable value is set for the following categories of immovables:

- non-residential immovables (adjusted rates if subject to volume-based water billing)
- immovables consisting of six or more dwellings
- serviced vacant lots and residual (mainly comprised of immovables consisting of five or less dwellings)

#### Special tax concerning roads

This tax is imposed to finance expenditures related to roads service. A rate per \$100 of taxable value is set for the following categories of immovables:

- non-residential immovables
- immovables consisting of six or more dwellings, serviced vacant lots and residual (mainly comprised of immovables consisting of five or less dwellings)

#### Tax to finance the contribution to the Autorité régionale de transport métropolitain (ARTM)

This tax is imposed to finance a part of Montréal's contribution to the ARTM which is responsible to plan, organize, finance and promote public transportation services in the greater metropolitan area. This tax applies to all taxable immovables entered on the property assessment roll. A rate per \$100 of taxable value is set for the same categories of immovables as the general property tax.

## Tax concerning debts of the municipalities that ceased to exist following the amalgamation (former city debts)

This tax is imposed to finance the reimbursement of debts contracted by the municipalities as they existed before the municipal mergers in 2002. These amounts used to be levied through the general property tax. This tax applies to all taxable immovables entered on the property assessment roll located on the territory of a former city whose debts have not been fully reimbursed. A rate per \$100 of taxable value is set for the same categories of immovables as the general property tax.

## Tax concerning services (borough)

Compensation required from owners of immovables situated in the borough, or tax imposed on taxable immovables situated in the borough, in accordance with a by-law enacted by the borough council in order to increase the level of its services.

## Tax concerning capital expenditures (borough)

This tax is imposed on taxable immovables situated in the borough. This tax aims to finance loans carried out by the borough in order to realize projects registered with their fixed assets programmes like road renovation work.

## Local improvements tax

Local improvements are infrastructure works such as waterworks, sewers, pavings, sidewalks. Local improvements tax applies only to property owners who benefit from the work done and is based either on the immovable frontage, on the surface area or on the value of the unit of assessment, or on a combination of these elements.

Annual instalments of this tax are similar to financing activities since they include payment of part of the principal, plus interest on the balance. **To avoid interest charges, you may pay the balance of your account at any time** (except for infrastructure work executed under section 159 - Schedule C of the *Charter of Ville de Montréal, metropolis of Québec*). For information on terms of payment regarding the balance of your account, please contact a Ville de Montréal point of service.

## Additional information for owners of non-residential immovables

### Volume-based water billing

In 2023, the new volume based water billing will be deployed throughout Montréal's territory to non-residential buildings. This measure marks the beginning of eco-taxation for the financing of water services in Montréal.

This billing will be imposed on non-residential buildings and is established at progressive rates, according to the water consumption of the building.

### Parking lot tax

This tax applies to parking lots located in four sectors:

"Sector A" corresponds to the business district as described in section 89 of the *Charter of Ville de Montréal, metropolis of Québec*.

"Sector B" corresponds to Downtown Montréal as described in section 8 of the *Compendium of tariffs of private transportation by taxi*, Decision MPTC08-00275, 080804, excluding "Sector A" and "Sector C".

"Sector C" is located in "Sector B" and its boundaries are defined in the *By-law concerning property taxes on parking lots (fiscal 2023)*.

"Sector D" corresponds to Montréal's territory with the exception of sectors A, B and C. It concerns outdoor parking lots only.

Under section 244.32 of the *Act respecting municipal taxation*, every unit of assessment in the category of non-residential immovables forms part of one of the classes in the table below, according to the percentage represented by the taxable value of the non-residential part of the unit, in relation to its total taxable value.

### Table of classes of non-residential immovables

Class	% of non-residential parts values / Total value	% at non-residential tax rates
1A	Less than 0.5%	0.1%
1B	0.5% or more but less than 1%	0.5%
1C	1% or more but less than 2%	1%
2	2% or more but less than 4%	3%
3	4% or more but less than 8%	6%
4	8% or more but less than 15%	12%
5	15% or more but less than 30%	22%
6	30% or more but less than 50%	40%
7	50% or more but less than 70%	60%
8	70% or more but less than 95%	85%
9	95% or more but less than 100%	100%
10	100% (unit wholly non-residential)	100%

### Non-residential immovables subject to a special tax plan

11	100%	Road bed of a railway situated in a yard referred to in section 244.51 of the <i>Act respecting municipal taxation</i> .	100%
12		Extended care hospital centre - establishment covered by section 244.52 of the <i>Act respecting municipal taxation</i> .	20%

### Example of how to determine a class

#### • Unit of assessment data

Total taxable value of the unit	\$500 000
Taxable value of non-residential parts	\$225 000

#### • Percentage value of non-residential parts / total value

Taxable value of non-residential parts	+	Total taxable value of the unit	=	% of non-residential parts value/ total value
\$225 000		\$500 000		45%

#### • Class based on the percentage

In the table of classes of non-residential immovables, the percentage of 45% corresponds to class 6.

A unit of assessment in the category of non-residential immovables, regardless of the class, may also belong to another category of immovables. For example, a unit may belong at the same time to non-residential immovables and to the immovables of six or more dwellings categories if the unit has both at least six dwellings and one or more non-residential premises.