

Vacant Home Tax Features – Jurisdictional Assessment

Features	Toronto (*)	Vancouver
Tax	Vacant Home Tax (“VHT”)	Empty Homes Tax (“EHT”)
Implementation Date	Jan. 1, 2022	Jan. 1, 2017
Implementation Process	<p>2017-2020: Consultation process, analysis, independent study (KPMG); HousingTO 2020-2030 Action Plan is adopted</p> <p>Nov. 2020: Recommendation to Council to begin implementation of the VHT</p> <p>2021: Tax design, by-law, regulations, prepare administrative functions</p> <p>2022: First reference year, public awareness campaign, refine administrative functions</p> <p>2023: First homeowner declarations, first billing, collection, audit, etc. Second reference year; continued public awareness.</p>	<p>July 2016: Consultation process, analysis</p> <p>Fall 2016: Endorsement in principle / further consultation</p> <p>November 2016: Approval</p> <p>2017: First vacancy reference period</p> <p>2018: First homeowner declarations, first billing, collection, etc.</p>

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Implementation Costs	\$10 M - \$13 M over a two-year period. Includes new/adjustments to the tax management and collection systems, setting a public interface for VHT related issues (declarations, payments, appeals, etc.); developing audit and compliance capability as well as a dispute resolution system.	\$7.4 M (initial estimate was \$4.7 M).
Definition of Home	Properties in the residential property class according to provincial legislation. Apartments and vacant land are not included.	The EHT applies to all Class 1 Residential properties within the City of Vancouver that were not used as a principal residence or rented for at least six months of the year.
Revenue Generation	Estimated between \$55 M and \$66 M.	2017: \$38 M 2018: \$39.8 M
Definition of Vacant	Unoccupied for more than six months during the preceding calendar year. Final definition to be refined.	Unoccupied for more than six months during the preceding calendar year. The six months of vacancy do not need to be continuous nor the occupant needs to be the same.

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Exemptions	To be defined.	<ul style="list-style-type: none"> - Change in ownership - Major renovations - Occupied by the owner for work purpose - The property occupier was undergoing medical care - Death of registered owner - Rental restrictions - The property is under a court order - A property is limited in use
Tax Rate	1.0% of CVA.	<p>Due to the relatively high number of property owners that opted to pay the tax, rather than renting out their property, the City of Vancouver has increased the EHT rate as follows:</p> <p>2017-2019: 1.0% 2020: 1.25% 2021: 3.0%</p>
Identification of Properties	To be determined: Mandatory Universal Declaration or Self Declaration of Vacant Properties.	Mandatory Universal Declaration of property status.
Administration & Administration Costs	As part of the ongoing operations, staff will need to be employed for tax administration, review and compliance, appeals and dispute resolutions, communications, IT support and maintenance, call centre and maintenance.	\$2.9 M annually

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Audit	To be determined. Requested documentation to support status of the property must comply with the requirements of the Municipal Freedom of Information and Protection of Privacy Act.	Random checks; Audit selected based on risk assessment.
Dispute Resolution	To be defined.	Property owners should file a Notice of Complaint requesting that the Vacancy Tax Review Officer review the declaration and any evidence or information submitted in support of it. The Review Officer is an independent party who is not involved in the original audit determination.
Penalties & Enforcement	Under the City of Toronto Act, the City has a system of fines allowing fines from \$500 - \$10,000 as well as escalating fines for subsequent convictions for the same offense and special fines to be applied in addition to the other fines imposed for the offense.	<ul style="list-style-type: none"> - Fine between \$250 - \$10,000 for false declaration - Late penalty of 5%