

CURRENT VALUE ASSESSMENT

Introduction

The current system of property taxation in Ontario is not acceptable. Assessments are rising; property taxes are skyrocketing. Current Value Assessment is creating major problems for some Ontario property taxpayers.

A combination of a rise in property values, an aging population, municipal amalgamations and the implementation of Current Value Assessment has created a crisis for many property owners in Ontario. Assessments based on the value of a house if it was sold and tied to fluctuating real estate markets is volatile and unrealized gains are still taxed. Homeowners face an unpredictable and shifting property tax burden. Taxes based on property values bear no relationship to ability to pay or to services received. It would be far more appropriate that the assessment value of a home be determined when a property is sold.

Residential property assessment increases capped at five per cent per year as long as home ownership is maintained must be established. This supports homeowners who make improvements to their residence and provides a property tax relief for seniors and the disabled.

Similar legislation exists in Nova Scotia, Arizona, Florida, California, Maryland, Minnesota, Michigan, New Mexico, Oregon and Texas.

Ontario is currently home to more than 1.5 million seniors or 40 percent of Canada's seniors. By 2028, the number of seniors is expected to double to three million. According to Statistics Canada, Ontarians pay the highest taxes Canada. Ontarians on fixed incomes, including senior citizens are particularly hard hit. The result of this could force seniors and others on fixed incomes out of their homes. This is not acceptable. In addition, the process to have an assessment reviewed by the Municipal Property Assessment Corporation (MPAC) is intimidating and discourages seniors from launching an appeal.

RTO/ERO believes the government must act immediately to ensure that:

- a transparent, fair and just system of assessing properties is established;
- the method for review of the government's assessment process is fair and uncomplicated; and,
- people will not be forced to sell their property because they cannot afford to pay their taxes.

Questions

1. Now that the freeze has been lifted, what action will your government/party take to address the problems in the current property assessment system in Ontario?
2. What will your government/party do to ensure fairness, predictability and transparency in the property tax system?