



NEWS RELEASE

Commercial property tax rate in Toronto nearly four times higher than residential rate with little rationale

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For Immediate Release

TORONTO—Throughout the Greater Toronto and Hamilton Area, but particularly in the City of Toronto, businesses pay much higher property tax rates than residents, which can lead to businesses leaving the area or simply closing, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“When punitive commercial property taxes force businesses to leave or close, the make-up of our communities and cities can change profoundly,” said Josef Filipowicz, a senior policy analyst with the Fraser Institute and co-author *Who Bears the Burden of Property Taxes in Canada’s Largest Metropolitan Areas?*

The study analyzes the ratio of municipal and provincial property tax rates (including education) paid by residents, businesses and industries in Canada’s major urban areas.

In the GTHA, the average commercial property tax rate was 2.2 times higher than the residential property tax rate in 2017, the most recent year of comparable data.

But in the City of Toronto, the commercial property tax rate was 3.8 times that of residential properties, the highest rate in the region. By comparison, the ratio between commercial and residential tax rates were significantly lower in Mississauga (2.4-to-1), Hamilton (2.7-to-1) and Brampton (2.1-to-1).

Crucially, higher tax rates on businesses can erode competitiveness, leading to migration of businesses, reduced hiring and investment, and business closures.

“Across the region, but particularly in the City of Toronto, businesses face a higher property tax burden than residents, with little justification for the higher rates,” Filipowicz said.

"Property taxes should reflect the level of services used by ratepayers, so local and provincial governments need to demonstrate how businesses in Toronto consume nearly four times the local services that residents do."

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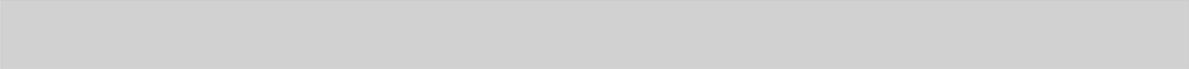
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