

# Taxes & Assessment

This profile contains information on Mississauga's financial management, property assessment and tax rates, business tax rates (HST), and a selected list of federal and provincial tax incentives.

## Financial Management

- Mississauga City Council prides itself on its enterprise approach to running the City. Sound financial management has allowed the City to plan for the future without incurring any debt.
- Responsible financial management coupled with forward planning policies has resulted in the City's debt-free status, with \$331 million in reserve funds for future infrastructure development.
- Mississauga Council is dedicated to keeping tax increases as low as possible.
- The City has a Development Charges Policy which operates on the philosophy that new development should pay for itself. Funds collected are placed in reserve to pay for capital improvements needed in the future. For decades developers have included all servicing costs in the base price of land, eliminating the need for local improvement levies. [Click here for more information.](#)
- Mississauga's basic utilities are relatively new and have been designed to handle future development so that upgrading costs will be minimal.

- Mississauga is the only city among the top 10 cities in Canada to be assigned the 'AAA' credit rating by Standard & Poor's. The rating is testimonial to the City's exceptional liquidity levels, debt-free position and its strong, strategically located economy.
- The City collects property taxes on behalf of the City of Mississauga, the Region of Peel, and for the Province of Ontario for the two Boards of Education - Peel District School Board and Dufferin Peel Catholic District School Board.

## Property Assessment

The Municipal Property Assessment Corporation (MPAC) is responsible for assessing all property in Ontario.

To establish a property's assessed value, MPAC uses the Current Value Assessment (CVA) method. This method requires MPAC to analyze property sales in the area and using this data as a basis, the value of similar properties can be assessed.

For further information, visit: Municipal Property Assessment Corporation (MPAC), Halton-Peel Assessment Office, [www.mpac.ca](http://www.mpac.ca)

## Calculating Property Tax

The total amount of taxes collected depends on the municipality's revenue needs and not on the value of property assessments within a municipality.

The City and Region independently determine the tax rate for each property tax class. The Ontario Provincial Government sets the education tax rates for all properties within the province.

The combined tax rate (municipal, regional and education) is then multiplied with CVA to determine the property tax value.

## Property Taxes

### 2014 Rates

Property Class	Residential	Multi-Residential	Commercial	Industrial
Tax Rate	0.908370%	1.457699%	2.101525%	2.469116%

Source: [www.mississauga.ca](http://www.mississauga.ca) > Residents > Taxes & Assessment > Tax Rates

### Consistently Lower Tax Rates

- Tax rates in Mississauga are consistently lower than most Ontario municipalities for many reasons. The most important reasons are:
- No local improvement costs are chargeable to the owner/occupant of the real estate.
- All costs of new servicing, road development and parkland have been absorbed by the developer as a condition of subdivision approval.

## Industrial & Commercial Buildings - Tax Rates & Comparisons

- Cost estimates of property tax costs are given below.
- These estimates provide a spread of the property tax values across municipalities within Ontario's Golden Horseshoe Area.

### 2013-2014 Industrial Tax Comparisons

City/Town	Tax Rates	Total \$
Oshawa (2013 Rate)	0.0477	\$190,723
Whitby (2013 Rate)	0.0416	\$166,425
London (2014 Rate)	0.0415	\$165,834
Guelph (2014 Rate)	0.0408	\$163,293
Cambridge (2013 Rate)	0.0366	\$146,260
Waterloo (2013 Rate)	0.0354	\$141,450
Kitchener (2014 Rate)	0.0351	\$140,408
Burlington (2014 Rate)	0.0319	\$127,621
Oakville (2014 Rate)	0.0311	\$124,209
Toronto (2014 Rate)	0.0294	\$117,624
Milton (2014 Rate)	0.0288	\$115,061
Brampton (2013 Rates)	0.0279	\$111,497
Mississauga (2014 Rate)	0.0247	\$98,765
Vaughan (2013 Rate)	0.0216	\$86,357
Richmond Hill (2013 Rates)	0.0215	\$86,094
Markham (2014 Rate)	0.0204	\$81,794
Source: Finance/Tax Department of the respective City Note: Based on a \$4 million assessed building.		

### 2013-2014 Commercial Tax Comparisons

City/Town	Tax Rates	Total \$
London (2014 Rate)	3.77%	\$75,326
Cambridge (2013 Rate)	3.56%	\$71,130
Waterloo (2013 Rate)	3.44%	\$68,725
Kitchener (2014 Rate)	3.41%	\$68,204
Guelph (2014 Rate)	3.32%	\$66,441
Oshawa (2013 Rate)	3.21%	\$64,203
Toronto (2014 Rate)	2.90%	\$57,956
Whitby (2013 Rate)	2.82%	\$56,408
Brampton (2013 Rates)	2.37%	\$47,447
Mississauga (2014 Rate)	2.10%	\$42,031
Burlington (2014 Rate)	1.95%	\$39,077
Oakville (2014 Rate)	1.90%	\$38,024
Vaughan (2013 Rate)	1.86%	\$37,185
Richmond Hill (2013 Rates)	1.85%	\$37,073
Milton (2014 Rate)	1.76%	\$35,201
Markham (2014 Rate)	1.76%	\$35,156
Source: Finance/Tax Department of the respective City Note: Based on a \$2 million assessed building.		

## Taxes Per Square Foot

Property Type*	Municipal & Regional Portion	Education Portion	Total Taxes**
Industrial - Standard (Less than 125,000 sq. ft.)	\$1.02	\$1.27	\$2.29
Industrial - Large (Greater than 125,000 sq. ft.)	\$0.89	\$1.11	\$1.99
Commercial - Office buildings in prime locations of the city	\$1.56	\$1.78	\$3.34

*Source: Municipal Study 2013, BMA Management Consulting Inc.*  
*Notes: \*Taxes per sq. ft will vary from one property to another. The above data is provided as an example only.*  
*\*\*Tax ratio for industrial/commercial property is approximately: 15% Municipal , 25% Regional, 60% Education*

## Business Taxes

### Harmonized Sales Tax (HST)

- As of July 1, 2010 Ontario has blended a 13% value-added tax which combines the Provincial Sales Tax (PST) with the General Sales Tax (GST) to create the HST.
- The provincial portion of the HST will be 8% and the federal portion will be 5% for a combined HST of 13%.
- Ontario will be providing \$4.6 billion in tax relief over three years including Corporate Income Tax (CIT) effective July 1, 2010. CIT rates for manufacturing and processing will be reduced. The corporate minimum tax will also be reduced for small and medium-sized business.
- For further information, visit the [Ministry of Revenue website](#).

## Tax Incentives

- The Ontario Municipal Act expressly forbids municipalities from offering business any bonus or financial incentive such as tax subsidies, special land deals, loans or grants.
- The Ontario and Federal Governments offer a wide range of programs to assist business. These programs, which can be in the form of loans, grants or tax credits, include training, export financing, and research and development.

- For further information, visit the [Ministry of Economic Development and Trade website](#).

### Provincial and Federal R&D Tax Incentives

- Canada's federal tax incentives and Ontario provincial tax incentives combined, have reduced the after tax cost of R&D expenditures significantly below other G8 countries. The G8 countries include Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States.
- Combined Ontario corporate tax rates are declining annually to 25% in 2014.
- As of 2011, the Federal and Provincial capital tax rate will be eliminated.
- Provincial and federal tax credits can cut the after-tax cost of \$100 R&D expenditure to approximately \$40.
- The Federal Government offers a 100% deduction for R&D costs including capital equipment.
- The Federal Government offers a 20% investment tax credit on scientific research and experimental development expenditures.
- The investment tax credit can offset 100% of the federal tax payable in the year or can be carried back 3 years or forward 20 years.

Tax incentive programs are subject to change. Details can be found at [www.investinontario.com](http://www.investinontario.com)



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