

# 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 while maintaining a very low debt burden.
- 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.
- As of 2015, Mississauga earned its 12<sup>th</sup> consecutive 'AAA' credit rating from Standard & Poor's Rating Service. The rating is testimonial to the City's exceptional liquidity levels, very low debt burden and its strong, diversified 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)

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## 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

### 2015 Rates

Property Class	Residential	Multi-Residential	Commercial	Industrial
Tax Rate	0.888635%	1.428825%	2.047150%	2.415379%
Source: <a href="http://www.mississauga.ca">www.mississauga.ca</a> > 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.

### 2014-2015 Industrial Tax Comparisons

Municipality	Tax Rates	Total \$
Oshawa (2014 Rate)	4.695857%	\$187,834
London (2014 Rate)	4.145845%	\$165,834
Whitby (2014 Rate)	4.098115%	\$163,925
Guelph (2015 Rate)	3.957838%	\$158,314
Cambridge (2014 Rate)	3.598780%	\$143,951
Waterloo (2014 Rate)	3.463612%	\$138,544
Kitchener (2015 Rate)	3.460040%	\$138,402
Burlington* (2015 Rate)	3.114396%	\$124,576
Oakville (2015 Rate)	3.019074%	\$120,763
Milton* (2014 Rate)	2.876524%	\$115,061
Toronto (2015 Rate)	2.827336%	\$113,093
Brampton (2014 Rate)	2.718446%	\$108,738
Mississauga (2015 Rate)	2.415379%	\$96,615
Vaughan (2014 Rate)	2.085068%	\$83,403
Richmond Hill (2014 Rate)	2.074352%	\$82,974
Markham (2014 Rate)	2.044855%	\$81,794

Source: Finance/Tax Department of the respective City

Note: Based on a \$4 million assessed building. \*Rate is applicable to Urban Area

### 2014-2015 Commercial Tax Comparisons

Municipality	Tax Rates	Total \$
London (2014 Rate)	3.766294%	\$75,326
Cambridge (2014 Rate)	3.498780%	\$69,976
Waterloo (2014 Rate)	3.363612%	\$67,272
Kitchener (2015 Rate)	3.360040%	\$67,201
Guelph (2015 Rate)	3.298209%	\$65,964
Oshawa (2014 Rate)	3.165459%	\$63,309
Whitby (2014 Rate)	2.781918%	\$55,638
Toronto (2015 Rate)	2.766540%	\$55,331
Brampton (2014 Rate)	2.304737%	\$46,095
Mississauga (2015 Rate)	2.047150%	\$40,943
Burlington* (2015 Rate)	1.894867%	\$37,897
Oakville (2015 Rate)	1.836036%	\$36,721
Vaughan (2014 Rate)	1.792039%	\$35,841
Richmond Hill (2014 Rate)	1.782915%	\$35,658
Milton* (2014 Rate)	1.760063%	\$35,201
Markham (2014 Rate)	1.757806%	\$35,156

Source: Finance/Tax Department of the respective City

Note: Based on a \$2 million assessed building. \*Rate is applicable to Urban Area

## Taxes Per Square Foot

Property Type*	Municipal & Regional Portion	Education Portion	Total Taxes**
Industrial - Standard (Less than 125,000 sq. ft.)	\$1.04	\$1.27	\$2.31
Industrial - Large (Greater than 125,000 sq. ft.)	\$0.92	\$1.13	\$2.04
Commercial - Office buildings in prime locations of the city	\$1.61	\$1.80	\$3.41

Source: Municipal Study 2014, 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 Finance 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 [www.investinontario.com](http://www.investinontario.com).

## Provincial and Federal R&D Tax Incentives

- KPMG's Focus on Tax 2014 ranks Canada as the most tax competitive country in the G7. G7 countries include Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.
- Combined Ontario corporate tax rates are declining annually to 26.5% in 2014.
- As of 2011, the Federal and Provincial Governments eliminated the capital tax rate.
- Ontario's R&D tax credits are the most generous of the G7 countries. Combined with federal R&D programs, Ontario's R&D Tax Program can reduce your after-tax cost for every \$100 in R&D spending to between \$61 and \$37. Ontario has a 14.1% R&D competitive cost advantage relative to the United States.
- The Federal Government offers a 15% investment tax credit (ITC) for tax years that end after 2013 on scientific research and experimental development expenditures. For Canadian-controlled private corporations (CCPCs) entitled to claim a 35% ITC on up to \$3 million of qualifying expenditures, the ITC can offset 100% of the federal tax payable in the year or can be carried back 3 years or forward 20 years (dependent on the rule that applies for the tax year in which the ITC is earned).

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

## Local Business Improvement Areas (BIAs)

- A Business Improvement Area (BIA) is a geographic area in a municipality. A BIA board of management is an organization set up to provide certain business promotion and improvement functions within that area.  
*Source: Ministry of Municipal Affairs and Housing, 2010 Business Improvement Area Handbook*
- There are 4 BIAs located in the City of Mississauga: Clarkson BIA; [Malton BIA](#); [Port Credit BIA](#); and [Streetsville BIA](#).
- All businesses within a designated BIA pay a levy based on the assessed value of their commercial property. This levy is collected by the City of Mississauga and turned over in full to the BIA, where the BIA board of management uses it to promote, beautify and benefit the area.

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and connect with Mississauga Economic Development today.

1-800-456-2181 • [economic.development@mississauga.ca](mailto:economic.development@mississauga.ca)

