



Vacant Home Tax in Toronto – Residential Property Owners in Toronto Must Declare Home Occupancy Status

January 2023 Real Estate Alert

City of Toronto introduced an **annual tax on vacant residential properties** (the “Vacant Home Tax” or “VHT”). This annual tax will be assessed on Residential Units that have been vacant for six months or more during the previous calendar year, subject to exemptions noted in By-law 97-2022.

Under this new system, all homeowners are required to file a declaration with the City of Toronto **annually**, detailing the occupancy status of their residential property. If a homeowner fails to file a declaration by the deadline and/or fails to provide supporting documentation, the residential property will be deemed to be vacant, and the property assessed for payment of the Vacant Home Tax. **Even if the property is a principal residence, it is important for the homeowner to file the declaration to ensure their property is not deemed to be vacant.**

The Vacant Home Tax is one percent of the Current Value Assessment (CVA) of the property. For example, if the CVA of your property is \$1,000,000, the tax amount billed would be \$10,000 (being 1% x \$1,000,000). Owners of properties subject to the tax will be issued a Vacant Home Tax Notice in March/April and payment will be due on May 1.

Owners must file the first declaration by **February 2, 2023**, in respect of the occupancy status of the property in 2022. This can

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be done online ([click here for link](#)), or by submitting a paper declaration form ([click here for form](#)). To complete the form, you will need your 21-digit assessment roll number and customer number from your property tax bill or property tax account statement. **Note: If you choose to use the paper form, the form must be completed in full and received by the City of Toronto by the February 2, 2023 deadline.** Failure to declare or making a false declaration may result in a fine of \$250 to \$10,000.

A similar Vacant Unit Tax was implemented for residential properties in the City of Ottawa, with the declaration filing deadline of **March 16, 2023**. Please contact our firm for further information on the City of Ottawa Vacant Unit Tax.

If you have any questions, need clarification on whether you or your property is affected by the Vacant Home Tax, or want to know if you qualify for an exemption, please contact [our firm](#).

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