

Land Transfer Tax

On October 22, 2007, Toronto City Council approved a new land transfer tax which takes effect on February 1, 2008.

All purchasers pay:

1. one-half of one percent of the value of the consideration on sales up to and including \$55,000.
2. one per cent of the value of the consideration on sales exceeding \$55,000 up to and including \$400,000.
3. two per cent of the value of the consideration of land containing one and/or two single family residences exceeding \$400,000.
4. one and a half per cent of the value of the consideration on commercial properties including multi-residential units exceeding \$400,000 up to \$40 million.
5. one per cent of the value of the consideration which exceeds \$40 million. Where the net revenue after transaction fees would result in revenue to the City of less than \$2.00, the purchase would be exempt from the Toronto Land Transfer Tax.

Who Pays the Land Transfer Tax?

1. If you have purchased a property with a closing date on or after February 1, 2008 you will be required to pay the Toronto Land Transfer Tax.
2. If the closing date is on or after February 1, 2008 and the Purchase & Sale agreement was executed on or before December 31, 2007 you are eligible for a full rebate.

For first-time purchasers:

A rebate of up to \$3,725 will apply to first-time purchasers of both new and existing homes. This means a full rebate for first-time buyers of homes valued at \$400,000 or less. For example, a first-time purchaser of a home valued at \$600,000 would pay land transfer tax according to the scale noted above, and receive a rebate of \$3,725. A first time home buyer of a home valued at \$300,000 would get a full rebate on the land transfer tax.

Provincial Land Transfer Tax

For further information on the Provincial Land Transfer Tax please refer to the provincial [website](http://www.gov.on.ca). www.gov.on.ca