

Toronto Land Transfer Tax

As a taxation measure granted under the *City of Toronto Act, 2006*, Toronto City Council approved a new **Municipal Land Transfer Tax effective February 1, 2008** that will be applied to all purchases of homes in the city of Toronto in addition to the Province's Land Transfer Tax.

Toronto Land Transfer Tax

The Municipal Land Transfer Tax (MLTT) will be charged on properties purchased in Toronto and on disposition of all beneficial interests with closing dates on or after February 1, 2008.

Toronto Land Transfer Tax Rates

The MLTT will be charged on a graduated basis depending on the value of consideration paid for the property.

For property containing **at least one, and not more than two, single family residences**:

Value of Consideration	MLTT Rate
Up to and including \$55,000	0.5% plus
Over \$55,000.00 to \$400,000	1.0% plus
Over \$400,000	2.0%

For all other property:

Value of Consideration	MLTT Rate
Up to and including \$55,000	0.5% plus
Over \$55,000.00 to \$400,000	1.0% plus
Over \$400,000.00 to \$40,000,000	1.5% plus
Over \$40,000,000	1.0%

EXAMPLE: Calculation of the MLTT for a home with a **\$500,000** (excluding GST) value of consideration:

Toronto Land Transfer Tax Rebates

You may be eligible for a rebate of the MLTT if the following criteria is met:

A. **Grand-Fathering**

The Agreement of Purchase & Sale was executed on or before December 31, 2007 and the closing date is on or after February 1, 2008. In this case you will be eligible for a full rebate.

B. **First-Time Purchaser**

You are a first-time purchaser of a newly constructed or re-sale residential property with two or less single-family residences. The rebate for first-time purchasers is up to a maximum of \$3,725.00.

If you are eligible for a rebate of the **entire** amount of MLTT you owe, you will receive an automatic rebate when your lawyer registers your property transaction and will not have to pay the tax.

If you are eligible for a rebate for only a **portion** of the MLTT, the full tax will be collected at the time your lawyer registers your property transaction. Once your lawyer submits your rebate application form and affidavit a cheque for the rebated amount will be sent to the purchaser.

All rebates will be automatically deducted from the MLTT owing at the time your property is registered starting in the Summer 2008.