

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

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

2013 Rates

Property Class	Residential	Multi-Residential	Commercial	Industrial
Tax Rate	0.926648%	1.483202%	2.154999%	2.521798%

Source: 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.

2012 Industrial Tax Comparisons

City/Town	Tax Rates	Total \$
Oshawa	4.7633%	\$190,532
London	4.6520%	\$186,020
Guelph	4.3310%	\$173,240
Whitby	4.1634%	\$166,536
Cambridge	3.5986%	\$146,608
Kitchener	3.5986%	\$143,944
Waterloo	3.5624%	\$142,496
Oakville	3.2967%	\$142,496
Burlington	3.2022%	\$128,088
Toronto	3.1876%	\$127,504
Milton	3.0080%	\$120,320
Brampton	2.8047%	\$112,188
Mississauga	2.5570%	\$102,280
Richmond Hill	2.2320%	\$89,280
Vaughan	2.2315%	\$89,260
Markham	2.1193%	\$87,972

Source: Finance/Tax Department of the respective City
Note: Based on a \$4 million assessed building.

2012 Commercial Tax Comparisons

City/Town	Tax Rates	Total \$
London	3.7952%	\$75,184
Cambridge	3.5652%	\$71,304
Kitchener	3.4986%	\$69,972
Waterloo	3.4624%	\$69,248
Guelph	3.3696%	\$67,392
Oshawa	3.1834%	\$63,668
Toronto	3.1816%	\$63,632
Whitby	2.7984%	\$55,968
Brampton	2.3976%	\$47,952
Mississauga	2.1962%	\$43,924
Oakville	2.0522%	\$41,044
Burlington	2.0105%	\$40,210
Richmond Hill	1.9221%	\$38,442
Vaughan	1.9217%	\$38,434
Markham	1.8943%	\$37,866
Milton	1.8907%	\$37,814

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.)	\$1.07	\$1.33	\$2.40
Industrial - Large (Greater than 125,000 sq. ft.)	\$0.86	\$1.08	\$1.94
Commercial - Office buildings in prime locations of the city	\$1.35	\$1.56	\$2.91

Source: Municipal Study 2012, 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



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