

Tax ratios

What is a tax ratio?

Municipalities in Ontario have the authority to apply differential taxation rates to different property classes through tax class ratios. A tax ratio is the proportion by which a class or sub-class tax rate compares to the residential class tax rate, which has a base ratio of 1.0. For example, a property with a tax ratio of 2 would pay twice the municipal tax amount as a similarly valued residential property. These ratios allow different tax burdens between the different property classes.

Why do tax ratios exist?

Ratios allow municipalities to manage the shifting of the property tax burden between classes. Annual tax shifts happen between classes due to different rates in property assessment values across different classes. The City historically adopts ratios that mitigate tax shifting and keep the tax burden the same in each class.

What are the current tax ratios?

Below are the 2026 tax ratios as approved by Council:

Property class	Tax ratio
Residential	1.00
Multi-Residential	1.20
New Multi-Residential	1.00
Farm	0.20
Managed Forest	0.25
Pipeline	1.72
Commercial	1.97
Office Building	2.39
Shopping Centre	1.55
Professional Sports Facility	1.92
Industrial	2.26
Large Industrial	2.03
Landfill	2.76
Aggregate Extraction	2.10

Subclass ratios

Provincial legislation allows the City to set the optional and mandatory subclass tax ratios as a percentage of the applicable class tax ratio. Council has approved the adoption of the following tax ratios for the property subclasses:

Property subclass	Tax ratio
Commercial Excess Land	No discount
Industrial Excess Land	No discount
Industrial Vacant Land	No discount
Small Business Subclass	85% of the applicable property class tax ratio
Small Scale On-Farm Business Class I	25% of the applicable commercial/industrial property class tax ratio
Small Scale On-Farm Business Class II	25% of the applicable commercial/industrial property class tax ratio
Farmlands pending Development Class I	75% of the residential property class tax ratio and the corresponding tax rate percentage reduction for the awaiting residential, commercial and industrial property tax classes
Farmlands pending Development Class II	No discount