

SCHEDULE 24: Payments-In-Lieu of Taxation

General Information

All municipalities, including single-tier, lower-tier and upper-tier municipalities must complete Schedule 24.

Upper-tiers report only Upper-tier tax rates that apply to the aggregated assessment of all lower-tiers. Lower-tier and Education tax rates do not need to be entered by Upper-tier municipalities.

This schedule is very similar to Schedule 22, except this schedule collects information on Payment-In-Lieu properties only. This schedule is a comprehensive report of Payment-In-Lieu (PIL) properties, with line-by-line details of the assessment for each property class in the municipality, the tax rates applicable to each class, and the Payment-In-Lieu amounts levied against each property class.

In completing this schedule, it is important to notice that this schedule only captures the PILS Levied (i.e., The PIL amount that is calculated from Tax Rate multiplied by Assessment). Also recognize that amounts generated from Payment-In-Lieu properties are different from amounts generated from Taxable properties.

First, the amount of "PIL levied" on a property; is not necessarily the amount received by the municipality. Second, in some cases the PIL amounts received for Education purposes are retained by the Municipality.

Both of these unique situations are captured in Part 3 of Schedule 26, where the final PIL amount retained by the Municipality and PIL amounts distributed to School Boards is reported. Since the final PIL entitlement is reported on Schedule 26, this total PIL amount will be carried-forward onto Schedule 10, Revenue Fund Revenues.

IMPORTANT: This schedule only captures the PILS Levied, which is not necessarily the total amount of PIL retained by the Municipality and distributed for Education purposes.

Municipal and Education PIL information in this schedule is organized by dividing the Schedule into the following eight sections:

- 1. General Purpose PILS**
- 2. Special Area PILS (Lower-Tier / Single-Tier)**
- 3. Special Area PILS (Upper-Tier)**
- 4. Supplementary PILS**
- 5. PILS Levied by Tax Rate**
- 6. Amounts Added to PILS**
- 7. Other PILS Amounts**
- 8. Total PILS Levied**

Also, the schedule contains several columns, which can be summarized into the following 3 categories:

- A. Property Class Description (columns 1 to 4)**
- B. Assessment and Tax Rates (columns 5 to 11)**
- C. PILS Levied (columns 12 to 15)**

Before explaining each of the Sections and Columns, the reporting treatment of several unique property types will be explained below. Following this will be a description of each of the Columns, and then a description of information reported in each Section.

Unique Property Types

Hydro Properties (RTQ = H, J, K)

Unique RTC / RTQ descriptions are available for Hydro properties owned by Ontario Power Generation Corporation and Hydro One or their subsidiaries. Hydro properties are described as “Taxable, shared as if Payment-In-Lieu” represented by RTQ=s of H, J, or K. The full property assessment and applicable tax rates for these properties should not be reported on this Schedule, but should be reported in Parts 1, 2 and 3 of Schedule 22.

Taxable Tenants of the Province (RTQ = P, Q)

Unique RTC / RTQ descriptions are available for taxable tenants of provincially owned properties. These properties described as “Taxable Tenant of Province” are represented by RTQ’s of P, Q.

These properties are unique since they are described as Payments-In-Lieu of Taxation (PIL), while being treated as Taxable. Unlike many other PIL properties, the Education amounts from these properties should be distributed to the School Boards and should not be retained by the Municipality.

Although these properties are treated as taxable properties, because they are described as “Payment-In-Lieu of Taxation”, they should be reported on Schedule 24, Payments-In-Lieu of Taxation.

Hydro-Electric Power Dams

As of 2001, Power Dams were exempted from property taxation. Municipalities no longer receive amounts from these properties based on a Tax Rate multiplied by Assessment. To compensate for the loss of this tax revenue, the province is making payments to municipalities based on the Municipal taxes these properties generated in 2000.

These amounts are paid directly to each lower-tier and each upper-tier municipality affected by the exemption. Since the amount is a payment from the province, it should be reported as a Payment-In-Lieu of Taxation on Schedule 24, on line 8060 under Part 7, “Other Payment-In-Lieu Amounts”.

Railway Rights-of-way (RTC = W)

Unique RTC / RTQ descriptions are available for Railway Rights-of-way properties. Railway Rights-of-way properties are represented by RTC of W. Municipalities receive amounts from Railway Rights-of-way properties based on applying a Rate to the Acreage of the property.

A Railway Rights-of-way property can be classed as either Taxable or PIL. If the amount is derived from a Railway Right-of-way property which is classed as “Taxable”, the amount should be reported in Schedule 22 on Line 8045. If the amount is derived from a Railway Right-of-way property which is classed as “PIL”, then the amount should be reported in Schedule 24 on line 8045.

In some instances, the municipality receives an additional amount in respect of Railway Rights-of-way properties from the province. This is because Rates for Railway Rights-of-way are being phased-in to the mature geographical rates. Municipalities receive an amount as compensation for the loss of revenue resulting from the phase-in.

Unlike the compensation related to the Power Dams, these compensation amounts are paid directly to the lower-tier and single-tier municipality. Lower-tier Municipalities have been advised to share the compensation amounts they receive with the Upper-tier according to the sharing arrangements for Railway Rights-of-way revenues.

Since the compensation amount is a payment from the province, it should be reported as a Payment-In-Lieu of Taxation on Schedule 24, under Part 7, “Other Payment-In-Lieu Amounts”. Line 8046 has been added specifically for reporting this amount.

Utility Corridors (RTC = U)

Unique RTC / RTQ descriptions are available for Utility Corridor properties. Utility Corridor properties are represented by RTC of U. Municipalities receive amounts from Utility Corridor properties based on applying a Rate to the Acreage of the property.

A Utility Corridor property can be classed as either Taxable or PIL. If the amount is derived from a Utility Corridor property which is classed as “Taxable”, the amount should be reported in Schedule 22 on Line 8050. If the amount is derived from a Utility Corridor property which is classed as “PIL”, then the amount should be reported in Schedule 24 on line 8050.

In some instances, the municipality receives an additional amount in respect of Utility Corridor properties from the province. This is because Rates for Utility Corridors are being phased-in to the mature geographical rates. Municipalities receive an amount as compensation for the loss of revenue resulting from the phase-in.

Unlike the compensation related to the Power Dams, these compensation amounts are paid directly to the lower-tier and single-tier municipality. Lower-tier Municipalities have been advised to share the compensation amounts they receive with the Upper-tier.

Since the compensation amount is a payment from the province, it should be reported as a Payment-In-Lieu of Taxation on Schedule 24, under Part 7, “Other Payment-In-Lieu Amounts”. Line 8051 has been added specifically for reporting this amount.

DESCRIPTION OF COLUMNS

The following table displays a list of all of the columns in this schedule:

Column	Description
1	RTC / RTQ
2	Tax Band
3	Property Class
4	Tax Rate Description
5	Tax Ratio
6	Percent of Full Rate
7	PIL Assessment

16	Phase-in PIL Assessment
8	Tax Rates: LT / ST
9	Tax Rates: UT
10	Tax Rates: EDUC
11	Tax Rates: TOTAL
12	Municipal PILS: LT / ST
13	Municipal PILS: UT
14	Education PILS
15	TOTAL PILS

To complete the schedule, the user must select the tax band (column 2), input the percent of full rate (column 6) and the rest of the schedule will be automatically calculated.

A. Property Class Description (Columns 1 to 4)

These first 4 columns display information related to the property classes that exist in the municipality. The information contained in these columns determines the information that should appear in the remaining columns.

Column 1 RTC / RTQ

This refers to the 2-digit code of the property class, and tax rate applicable to the assessment on a property. The first digit represents the Realty Tax Class (RTC) and refers to the property class. The second digit represents the Realty Tax Qualifier (RTQ) and refers to the tax rate that is applied to the property.

The RTQ describes which of the following ways the Tax Rate is applied:

1. Full tax rate
2. Discounted tax rate
 - i. Excess Land
 - ii. Vacant Land
 - iii. Farmland Awaiting Development
3. Education tax rate only
4. General tax rate only

For RTC / RTQ codes that refer to optional property classes, municipalities should report these whether or not the class is 'in effect' or not. They should not be aggregated with the 'broad' Commercial or Industrial class. This allows the optional property class properties to be identified regardless of whether the optional class is in effect.

Please refer to the **FIR2023 Tables** document for a complete list of applicable RTC / RTQ combinations. New Construction RTC and RTQ codes have been added. RTC Codes and RTQ

codes available at the FIR website:

<https://efis.fma.csc.gov.on.ca/fir/index.php/municipal-reporting/additional-information/>

Column 2 Tax Band

Municipalities have been provided with the option of applying graduated tax rates, often referred to as Tax Banding, in the commercial and industrial property classes. This means that municipalities can apply different tax rates to tax bands, or different ranges of assessment within a property class.

Please refer to Section 3 of Schedule 20 in these instructions, for further information on Tax Bands.

Municipalities must enter **0, L, M, or H** in this column as explained in the instructions below:

For municipalities who have NOT adopted tax banding in a property class, a zero, '0', should be reported on each line in this column. An entry of '0' represents an 'Un-banded' tax rate.

For

No Tax Bands:

Tax Band	Enter
Un-banded	0

2 Tax Bands:

Tax Band	Enter
Low tax band	L
High tax band	H

3 Tax Bands:

Tax Band	Enter
Low tax band	L
Middle tax band	M
High tax band	H

Municipalities who have adopted tax banding, by either creating 2 or 3 Tax Bands of assessment value (CVA) to which different tax rates are applied, the following tables outline the entries available for this column:

Note: If an optional Commercial or Industrial property class is in effect in the municipality, Tax Banding only applies to the residual Commercial or Industrial assessment. In other words, Tax banding does not apply to optional property classes that are in effect.

Please refer to the **FIR2023 Tables** document for a complete list of applicable RTC / RTQ combinations, RTC Codes, and RTQ codes available at the FIR website:

<https://efis.fma.csc.gov.on.ca/fir/index.php/municipal-reporting/additional-information/>

Column 3 Property Class

The name of the property class in this column corresponds to the Realty Tax Class (RTC) code, which is the first letter of the RTC / RTQ Code in column 1. (See **FIR2023 Tables**)

Column 4 Tax Rate Description

This column describes the tax rate that is applied to a property class and corresponds to the Realty Tax Qualifier (RTQ) code, which is the second letter of the RTC / RTQ Code in column 1. (See **FIR2023 Tables**)

B. Assessment and Tax Rates (Columns 5 to 11)

Current Value Assessment (CVA) totals and Tax Rate information, including Tax Ratios, Discount Percentages of the Full Tax Rate, and Tax Rates that are applicable to the property classes outlined in columns 1 to 4 must be reported in these columns.

It is important to notice that EVERY tax rate is determined by the following relationship with the Residential (RT) tax rate:

Tax Rate = RF Tax Rate x Tax Ratio x Percent of Full Rate
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Example:

The Commercial PIL vacant land tax rate (CY) is usually discounted to 70% of the Commercial full occupied tax rate (CF). If the RF Tax Rate is 0.12% and the Commercial Tax Ratio is 2.5000, the CY rate is determined from the residential tax rate as follows (assuming a 70% Vacant Land discount):

CY tax rate	= RF rate x CF Tax Ratio x Percent of Full CF Rate
	= 0.120000% x 2.5000 x 70%
	= 0.210000%

Column 5 Tax Ratio

The Tax Ratio defines the relationship between the Tax Rate of each property class in relation to the Residential property class (RF). For example, if the Residential tax rate is 2% and the Commercial tax rate (CF) is 4%, twice that of the residential tax rate, then the Commercial tax ratio is 2.0000:

Commercial Tax Ratio	= CF Tax Rate ÷ RF Tax Rate
	= 4% ÷ 2%
	= 2.0000

All Tax Ratios are now expressed as a decimal to 6 decimal places. The tax ratio for the Residential (RTC = R) property class is always 1.0000, and the tax ratio for the Farmland (RTC = F), and Managed Forest (RTC = T) property classes is always 0.2500.

Each property class, and similarly, each RTC code, must have a tax ratio associated with it. It is also worth noting that the Tax Ratio remains constant within a property class. For example, a Commercial Tax Ratio of 2.0000 applies to CF, CV and CY (CV, and CY usually have a 70% discount as described in column 6).

Please refer to the **FIR2023 Tables** document for a complete list of RTC Codes which shows the relationship between the RTC Code (or property class) and the tax ratio. Please note the exceptions that exist when optional classes are in effect.

Column 6 Percent of Full Rate

This column captures information relating to discounted tax rates, and tax banding of the tax rates.

These can be summarized into the following 3 cases:

Types of Tax Rate Discounts	Options
Vacant Land or Excess Land	Excess Land Rate (RTQ = V, W) Vacant Land Rate (RTQ = Y, Z)
Farmland Awaiting Development	Phase I (RTQ = 2, 3) Phase II (RTQ = 5, 6)
Tax Banding (Percent of Full Un-banded Rate)	Low tax band (Tax Band = L) Middle tax band (Tax Band = M) High tax band (Tax Band = H)

Notice that the first 2 cases relate to the RTQ of a property, while the 3rd case refers to the Tax Band.

For municipalities who have opted for tax banding of tax rates, it may be possible to have case 1 and 3 occurring at the same time (i.e. RTQ = V, W, Y, Z and Tax Band = L, M, H).

Remember, every tax rate is determined by the following relationship with the Residential tax rate:

Tax Rate = RF Tax Rate x Tax Ratio x Percent of Full Rate
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This formula can be rearranged as follows to enable us to calculate the Percent of Full Rate:

Percent of Full Rate = $\frac{\text{Tax Rate}}{\text{RF Tax Rate x Tax Ratio}}$

Please refer to the **FIR2023 Tables** document for a complete list of RTQ Codes which shows the relationship between the RTQ Code and the Percent of Full Rate. Please note the exceptions that exist when optional classes are in effect.

Example 1:

The following table outlines a sample of property classes, with the tax ratio, percent of full rate, and tax rate columns:

RTC / RTQ 1	Tax Band 2	Tax Ratio 5	Percent of Full Rate 6	Tax Rate 8
RF	0	1.0000	100%	2.000000%
FF	0	0.2500	100%	0.500000%
CF	0	2.0000	100%	4.000000%
CV	0	2.0000	70%	2.800000%

RTC / RTQ 1	Tax Band 2	Tax Ratio 5	Percent of Full Rate 6	Tax Rate 8
CY	0	2.0000	70%	2.800000%
IF	0	3.0000	100%	6.000000%
IV	0	3.0000	65%	3.900000%
I2	0	3.0000	40%	2.400000%
I5	0	3.0000	55%	3.300000%

In this table, notice that any tax rate can be determined using the formula mentioned earlier. Multiplying the Residential tax rate (RF Rate) of 2.0% by the Tax Ratio and then by the Percent of Full Rate on any line will provide the resulting Tax Rate for that RTC / RTQ code. This is shown below for CV:

CV Rate	= RF Rate x CF Tax Ratio X Percent of Full CF Rate
	= 2.0% x 2.0000 x 70%
	= 2.0% x 1.4000
	= 2.8%

Also, notice that working backwards with the second formula mentioned earlier, the Percent of Full Rate for any line can be determined as shown below for RTC / RTQ of I5:

Percent of Full Rate	= I5 Rate ÷ (RF Tax Rate x IF Tax Ratio)
	= 3.3% ÷ (2.0% x 3.0000)
	= 3.3% ÷ (6.0%)
	= 55%

For municipalities which have implemented Tax Banding in the commercial or industrial property classes, the 'Percent of Full Rate' column is slightly more complicated.

In dealing with tax rates which are 'Banded', the Percent of Full Rate is determined as a discount percent of the Full Un-Banded Rate. This column would thus be more appropriately named, 'Percent of Full Un-Banded Rate' in this case.

When Tax Banding exists, the Percent of Full Rate is a combination of the Tax Banding discount, and the Vacant or Excess Land discount.

Example 2:

The following table outlines a simple case where 2 commercial tax bands (Low and High) are in effect in a municipality:

RTC / RTQ 1	Tax Band 2	Tax Ratio 5	Percent of Full Rate 6	Tax Rate 8
RF	0	1.0000	100%	2.000000%
FF	0	0.2500	100%	0.500000%
CF	0	2.0000	100%	4.000000%
CF	L	2.0000	90%	3.600000%
CF	H	2.0000	120%	4.800000%
CV	L	2.0000	63%	2.520000%
CV	H	2.0000	84%	3.360000%
CY	L	2.0000	63%	2.520000%
CY	H	2.0000	84%	3.360000%

In this example, we have included the Un-banded commercial rate for illustration purposes. You will notice that CF, CV, and CY have each been divided into 2 parts, a Low band (L) and a High band (H).

Notice that working backwards with the second formula mentioned earlier, the Percent of Full Rate column for RTC / RTQ and Tax Band of CV L (Low Band) is as follows:

Percent of Full Rate	= CV Low Rate ÷ [RF Rate x CF Tax Ratio]
	= 2.52% ÷ (2.0% x 2.0000)
	= 2.52% ÷ (4.0%)
	= 63%

Further examination of this calculation shows that the Percent of Full Rate for CV L (Low Band), can be determined by simply dividing by the CF 0 (Un-banded) Rate:

Percent of Full Rate	= CV Low Rate ÷ CF Un-Banded Rate
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A closer look at the tax rate for CU Low Band, shows that the 63% Discount is made up of 2 parts. First, it includes a Discounted to 70% of the full commercial tax rate because it is a Vacant Land rate (i.e. RTQ = V), and second, it is further discounted by 90% because it is the Low Tax Band rate (Tax Band = L).

CV Low Rate	= RF Rate x CF Tax Ratio x (Vacant disc. x Low band disc.)
	= RF Rate x CF Tax Ratio x (Percent of Full Rate)
	= 2.0% x 2.0000 x (70% x 90%)
	= 2.0% x 2.0000 x (63%)
	= 2.52%

The Percent of Full Rate column for CF is 90% for the Low band and 120% for the High band. For CV and CY, the Percent of Full Rate is 63% for the Low band, and 84% for the High band.

The Percent of Full Rate for CV and CY are lower because they combine the Vacant Land or Excess Land discount of 70%, along with the Tax Banding discounts of 90% and 120%.

The table below outlines how to calculate the Percent of Full Rate, when tax banding exists in the municipality.

RTQ	Tax Band	Description	Percent of Full 'Un-banded' Rate
F	0	'Full' Un-banded	100%
	L	Low tax band	Low band Tax Rate ÷ Full Un-Banded Rate
	M	Middle tax band	Middle band Tax Rate ÷ Full Un-Banded Rate
	H	High tax band	High band Tax Rate ÷ Full Un-Banded Rate
V, W	0	Un-banded	nV Rate ÷ (RF Rate x nF Tax Ratio)
	L	Low tax band	Low band Tax Rate ÷ Full Un-Banded Rate
	M	Middle tax band	Middle band Tax Rate ÷ Full Un-Banded Rate
	H	High tax band	High band Tax Rate ÷ Full Un-Banded Rate
Y, Z	0	Un-banded	nY Rate ÷ (RF Rate x nF Tax Ratio)
	L	Low tax band	Low band Tax Rate ÷ Full Un-Banded Rate
	M	Middle tax band	Middle band Tax Rate ÷ Full Un-Banded Rate
	H	High tax band	High band Tax Rate ÷ Full Un-Banded Rate

* n is a variable representing the RTC Code

Column 7 PIL CVA Assessment

The total current value assessment (CVA) associated with each property class should be entered in this column. Each Payment-In-Lieu RTC / RTQ Code and Tax Band combination that is applicable in a municipality should have a record shown in this schedule.

The CVA amounts reported in this column will be applied to the Tax Rates reported in columns 8 to 11 to arrive at the Total PIL Levied amounts in columns 12 to 15 in this schedule. **Column 7 is pre-populated for the user in this schedule.**

Please note that Hydro properties represented by RTQ = H, J, or K are reported on Schedule 22, Municipal and School Board Taxation.

Upper-tier municipalities

For an upper-tier municipality, this column should contain the sum of the PIL assessment in all the lower-tier municipalities. This total aggregated assessment for all lower-tier PIL properties will be used to calculate the amount of upper-tier PILS.

Column 16 PIL Phased-In Assessment

The total phased-in current value assessment (CVA) associated with each property class should be entered in this column. Each Payment-In-Lieu RTC / RTQ Code and Tax Band combination that is applicable in a municipality should have a record shown in this schedule.

The CVA amounts reported in this column will be applied to the Tax Rates reported in columns 8 to 11 to arrive at the Total PIL Levied amounts in columns 12 to 15 in this schedule.

Please note that Hydro properties represented by RTQ = H, J, or K are reported on Schedule 22, Municipal and School Board Taxation.

Column 8 TAX RATES: Lower-Tier / Single-Tier

All Lower-tier (LT) and Single-tier (ST) municipalities should enter tax rates in this column. All Tax rates that have been applied in the municipality for Lower-tier or Single-tier purposes should appear in this column.

The tax rates should be entered as a Percentage to 6 decimal places into the appropriate column based on the purpose of the tax rate.

Decimal 0.00123456	Equals =	Percentage 0.123456 %
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NOTE: Some RTC / RTQ combinations represent Education Rates only, or General Municipal rates only.

Column 9 TAX RATES: Upper-Tier

All Upper-tier (UT) and Lower-tier (LT) municipalities should enter tax rates in this column. All Tax rates that have been applied in the municipality for Upper-tier purposes should appear in this column.

The tax rates should be entered as a Percentage to 6 decimal places into the appropriate column based on the purpose of the tax rate.

Decimal 0.00123456	Equals =	Percentage 0.123456 %
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NOTE: Some RTC / RTQ combinations represent Education Rates only, or General Municipal rates only.

Column 10 TAX RATES: Education

All Lower-tier (LT) and Single-tier (ST) municipalities should enter tax rates in this column. All Tax rates that have been applied in the municipality for Education purposes should appear in this column.

The tax rates should be entered as a Percentage to 6 decimal places into the appropriate column based on the purpose of the tax rate.

Decimal 0.00123456	Equals =	Percentage 0.123456 %
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NOTE: Some RTC / RTQ combinations represent Education Rates only, or General Municipal rates only.

Column 11 TAX RATES: Total

This column displays the total municipal and education tax rates. The total tax rate in each line is automatically calculated from the sum of columns 8, 9, and 10.

C. PILS Levied (Columns 12 to 15)

The remaining columns display the PILS Levied for Municipal, and Education purposes on each line of the schedule.

In sections 1 to 3 of this schedule, the PILS Levied columns 12 to 15 are automatically calculated from the assessment and tax rate information entered in previous columns.

The PILS Levied are calculated based on the following formula:

$$\text{PILS Levied} = \text{Assessment} \times \text{Tax Rate}$$

In sections 4 to 8, these amounts must be entered manually since they are not calculated by applying a tax rate to an assessment. Total amounts are automatically calculated.

Column 12 MUNICIPAL PILS: Lower-Tier / Single-Tier

All Lower-tier (LT) and Single-tier (ST) municipalities should have values in this column.

This column is automatically calculated by multiplying the Assessment in column 7 by the LT / ST Tax Rate in column 8. In sections 4 to 8, the amounts must be entered, with the exception of totals which are automatically added.

Column 13 MUNICIPAL PILS: Upper-Tier

All Upper-tier (UT) and Lower-tier (LT) municipalities should have values in this column.

This column is automatically calculated by multiplying the Assessment in column 7 by the UT Tax Rate in column 9.

In sections 4 to 8, the amounts must be entered, with the exception of totals which are automatically added.

Column 14 Education PILS

All Lower-tier (LT) and Single-tier (ST) municipalities should have values in this column. This column is automatically calculated by multiplying the Assessment in column 7 by the Education Tax Rate in column 10.

In sections 4 to 8, the amounts must be entered, with the exception of totals which are automatically added.

Column 15 TOTAL PILS

This column displays the total municipal and education PILS Levied. Remember, this may not be the total amount of PILS actually received and retained by the Municipality.

This column is automatically calculated by adding the PILS in columns 12 to 14.

DESCRIPTION OF SECTIONS

Now that we have discussed the information contained in each of the columns across the schedule, we shall proceed with discussing the following Sections that appear as you work down through the schedule:

1. **General Purpose PILS**
2. **Special Area PILS (Lower-tier / Single-tier)**
3. **Special Area PILS (Upper-tier)**
4. **Supplementary PILS**
5. **PILS Levied by Tax Rate**
6. **Amounts Added to PILS**
7. **Other PIL Amounts**
8. **Total PILS Levied**

This schedule is separated into sections to allow for simpler presentation of complicated tax scenarios that may exist in a municipality. It is important for municipalities to recognize which tax rates and levies should be reported in each section.

Municipalities should report all General-purpose tax rates in section 1.

If a Lower-tier or Single-tier municipality strikes a Special Area tax rate, this should be reported in part 2. If an Upper-tier municipality strikes a Special Area tax rate, this should be reported in part 3.

Municipalities should not add a Special Area tax rate to a General-purpose tax rate and report the sum as a General-purpose tax rate in section 1.

If a municipality does not enter tax rates in the appropriate sections, numerous miscalculations will occur in several parts of the FIR. Municipalities should ensure tax rates are reported accurately to prevent this compounding of errors from occurring.

In any section, if a municipality has more than one set of tax rates, then each set of tax rates should be reported separately within the section. It is important to realize that the RTC / RTQ and Tax Band combination representing the property class can be shown only once within any set of tax rates. That is, the property class, or RTC / RTQ and Tax Band combination is unique within each set of tax rates.

In some instances, a Municipality may have more than one set of General purpose tax rates. This scenario is referred to as 'Levy Areas' and requires a custom FIR to be set-up. A custom FIR is created which contains additional tables in section 1, for each set of general purpose tax rates, or each 'Levy Area'. This allows the Municipality to report all General-Purpose Tax Rates in Section 1. Municipalities can contact the Ministry by email at FIR.mah@ontario.ca to arrange for this to be set-up.

Please refer to the **Levy Areas** document for a description of Levy Areas.

Throughout the FIR, data points are referenced using the Schedule-Line-Column (SLC) numbering system. For example, SLC 60 0410 02 refers to the data in Schedule 60, Line 0410, and Column 2.

In this Schedule, every RTC / RTQ combination has a unique Line number associated with it. For example, the Line number for RF is always 1010, and will repeat for every entry of RF throughout the

Schedule. Referencing a data point in section 1 of this Schedule, therefore, involves a 'Levy Area' code in conjunction with the SLC Number. Similarly, in sections 2 and 3, a 'Levy Type' code in conjunction with the SLC Number references a data point. For sections 4 to 8, the SLC Number alone identifies a data point.

Please refer to the **FIR2023 Tables** document for a complete list of applicable Levy Types and Codes.

1. General Purpose Payments-In-Lieu (24A)

This section contains individual sets of 'actual' General Purpose tax rates and PILS Levied. This section contains all General-Purpose tax rates by property class for municipal and education purposes. For each property class in the municipality, the total PIL assessment is also shown here, and is used to calculate the PILS levied for that property class.

The following columns are pre-populated from OPTA:

- **The RTC/RTQ (column 1) codes**
- **Property Class (column 3)**
- **Tax Rate Description (Column 4)**
- **Tax Raio (column 5)**
- **Percent of Full Rate % (Column 6)**
- **PIL CVA Taxable Assessment (column 7)**
- **PIL Phased-in Assessment (column 16)**

To complete the schedule, the user must select the tax band (column 2), and the rest of the schedule will be automatically calculated.

It is important that ALL General-purpose tax rates and General purpose PILS levied are reported in this section. General purpose tax rates should not be shown in the Special Area PILS sections.

In cases where municipalities have a Special Budgetary Levy that is applied to all classes except those over the threshold, a Special Area Rate should be entered on 24B or C. The Levy Type of "Special Budgetary Levy" has been made available on the list of Levy Types.

Most municipalities will have one set of uniform General-purpose tax rates that applies to every property in the municipality. In this situation, the set of tax rates are reported in the table in this section.

In some instances, Municipalities may have more than one set of General Purpose Tax Rates. In this scenario, a number of tables must be added to this section, and the concept of 'Levy Area' is introduced to accomplish this. The Municipality is split into separate parts called 'Levy Areas', where the sum of the parts makes up the entire municipality. Each Levy Area has a corresponding table set-up in this section, and the Municipality can then report separate sets of tax rates within each Levy Area.

Municipalities with one set of uniform General-purpose tax rates that applies to every property in the municipality will report tax rates in the Levy Area of "0". Municipalities with more than one set of general-purpose tax rates will be assigned a unique code for each Levy Area.

If a municipality has more than one set of General-purpose tax rates, a custom FIR must be set-up that includes 'Levy Areas' for each set of General purpose tax rates. Municipalities can contact the Ministry by email at FIR.mah@ontario.ca to arrange for this to be set-up.

The need for multiple sets of General-Purpose tax rates usually occurs in Municipalities which have recently amalgamated. In this situation, each of the former Municipalities that make up the newly amalgamated Municipality may have different General-purpose tax rates. This accommodates the different service levels and needs that exist initially in an amalgamated Municipality. Eventually, the former municipalities will phase-in to a uniform General-purpose tax rate.

Each property class, or RTC / RTQ and Tax Band combination can only be reported once within a Levy Area. This means that each RTC / RTQ and Tax Band combination is unique within each set of General-purpose tax rates.

If a municipality has more than one General purpose tax rate for an RTC / RTQ and Tax Band combination, then multiple General-purpose levies exist within the municipality, and separate sets of tax rates must be entered separate Levy Areas.

Please recall: Data points in this part of the FIR are referenced by Levy Area + SLC Number. It is also important to notice that each RTC / RTQ and Tax Band combination is associated with a unique Line Number.

Subtotals are numbered sequentially based on the number of Levy Areas. For example, if one Levy Area exists, the Subtotal line is 9201. If 2 Levy Areas exist, Subtotal lines are 9201, and 9202.

2. Lower-Tier / Single-Tier Special Area Payments-In-Lieu (24B)

This section contains all Lower-tier or Single-tier special area tax rates by property class. For each property class in the municipality, the assessment that is within the 'special area' is also shown and is used to calculate the special area taxes levied for that property class.

Upper-tier municipalities should not enter any information into this section.

For Lower-tier and Single tier municipalities, completion of this section is required where any special area tax rates for Lower-tier / Single-tier purpose have been applied within the municipality.

In general, a special area levy only applies to a unique area within the Municipality (which is not usually the entire municipality). Also, a special area levy is usually a specific Type, for example, Fire or Transit, which is separate from the General-purpose levy.

A list of Levy Types is available to allow municipalities to identify each Special Area Rate. Please refer to the **FIR2023 Tables** file for a complete list of Levy Types available to select.

Special area tax rates that are separately identified in a Municipality's tax rate By-law should be reported here, and should NOT be shown in section 1, for General purpose PIL information.

Miscalculations will occur in several parts of the FIR if tax rates are not reported in the correct section.

To enter a Special Area PIL Levy:

This section contains the following 2 items which should be completed for each Special Area PIL Levy:

1. **Levy Type**
2. **RTC / RTQ and Tax Band combinations**

First, notice how this section is divided into the top and bottom parts. In the top part, different types of special area PIL levies that exist in the Municipality are shown. Even though only a few can be seen at one time, many different special area PIL levies can be accommodated. The bottom part shows the tax rates that are applicable to the Levy Type which is 'highlighted' in the top part. All the individual tax rates that apply to the 'highlighted' Special Area PIL Levy are reported by RTC / RTQ and Tax Band combination here.

To enter a Special Area PIL Levy, first identify the type of levy that exists in the municipality. In the top of this section Municipalities can add a Special Area PIL by clicking the 'Add a Special Area PIL' button at the top.

Select the appropriate Levy Type from the table that is shown. Please refer to the **FIR2023 Tables** document for a complete list of Levy Types that are available.

Once a Levy Type has been chosen, municipalities can also add their own custom description of the Special Area PIL Levy in the blank area provided. The Levy Type is then shown at the top, and on one of the tables in the bottom part.

To enter another Special Area PIL Levy, simply repeat this step. Also notice that if a Municipality has more than one set of tax rates applicable to a single specific levy type such as Transit, then multiple sets of tax rates can be entered for this Levy Type. A 'Levy Sequence' is assigned to each set of tax rates. For example, Transit 01, and Transit 02 are 2 sets of Transit tax rates. The following table outlines a sample of a series of Levy Types that could appear:

Levy Code	Levy Type	Description
320 01	TRANSIT	Hamilton Street Railway – East
320 02	TRANSIT	Hamilton Street Railway – West
450 01	RECYCLING	Recycling - North Ward Only

Notice that the Levy Type can be repeated, in which case the Levy Sequence identifies each of the records as 01 and 02.

Next, Municipalities should enter Tax rates and Assessment amounts in the bottom part of this section. It is important to remember that tax rates are entered into the Levy Type that is 'highlighted' in the top part.

Like the General purpose PIL section, Municipalities can report all PIL RTC / RTQ and Tax Band combinations. Notice that each property class can be reported only once within a Levy Type.

Remember: Numbering of data points in this part of the FIR is by Levy Code + SLC Number. Also notice that each RTC / RTQ and Tax Band combination is associated with a unique Line Number.

3. Upper-Tier Special Area Payments-In-Lieu (24C)

This section contains all Upper-tier Special area tax rates by property class. For each property class in the municipality, the assessment that is within the 'special area' is also shown and is used to calculate the special area PILS levied for that property class.

Only Lower-tier and Upper-tier municipalities should enter information in this section.

For lower-tier and Upper-tier municipalities, completion of this section is required where any special area tax rates for Upper-tier purpose have been applied within the municipality.

In general, a special area levy only applies to a unique area within the Municipality (which is not usually the entire Municipality), but as mentioned above, can apply to the entire Municipality. Also, a special area levy is a specific Type, for example, Fire or Transit, which is separate from the General-purpose levy.

A list of Levy Types is available to allow municipalities to identify each Special Area Rate. Please refer to the **FIR2023 Tables** file for a complete list of Levy Types available to select.

Special area tax rates that are separately identified in a municipality's tax rate By-law must be reported here, and should NOT be shown in section 1, for General purpose levy information.

Miscalculations will occur in several parts of the FIR if tax rates are not reported in the correct section.

Lower-tier municipalities reporting Upper-tier special area tax rates must be careful entering these tax rates. In some Lower-tier municipalities, an Upper-tier special area tax rate may be applicable to the entire Lower-tier municipality. This tax rate should still be treated as a Special Area PIL Levy and should be reported in this section. This tax rate should not be added to the General-purpose tax rate reported in section 1.

To enter a Special Area PIL levy:

Like the lower-tier / single-tier Special Area PIL Levy section, this section contains the following 2 items which should be completed for each Special Area PIL Levy:

- 1. Levy Type**
- 2. RTC / RTQ and Tax Band combinations**

First, notice how this section is divided into the top and bottom parts. In the top part, different types of special area PIL levies that exist in the Municipality are shown. Even though only a few can be seen at one time, a large number of different special area PIL levies can be accommodated. The bottom part shows the tax rates that are applicable to the Levy Type which is 'highlighted' in the top part. All the individual tax rates that apply to the 'highlighted' special area levy is reported by RTC / RTQ and Tax Band combination here.

To enter a Special Area PIL Levy, first identify the type of levy that exists in the Municipality. In the top of this section, Municipalities can add a Special Area PIL Levy by clicking the 'Add a Special Area PIL Levy' button at the top.

Select the appropriate Levy Type from the table that is shown. Please refer to the **FIR2023 Tables** document for a complete list of Levy Types that are available.

Once a Levy Type has been chosen, municipalities can also add their own custom description of the Special Area PIL Levy in the blank area provided. The Levy Type is then shown at the top, and on one of the tables in the bottom part.

To enter another Special Area PIL Levy, simply repeat this step. Also notice that if a Municipality has more than one set of tax rates applicable to a single specific levy type such as Transit, then multiple sets of tax rates can be entered for this Levy Type. A 'Levy Sequence' is assigned to each set of tax rates. For example, Transit 01, and Transit 02 are 2 sets of Transit tax rates. The following table outlines a sample of a series of Levy Types that could appear:

Levy Code	Levy Type	Description
320 01	TRANSIT	Hamilton Street Railway – East
320 02	TRANSIT	Hamilton Street Railway – West
450 01	RECYCLING	Recycling - North Ward Only

Notice that the Levy Type can be repeated, in which case a Levy Sequence identifies each of the records as 01 and 02.

Next, Municipalities should enter Tax rates and Assessment amounts in the bottom part of this section. It is important to remember that tax rates are entered into the Levy Type that is 'highlighted' in the top part.

Like the General purpose PIL section, Municipalities can report all PIL RTC / RTQ and Tax Band combinations. Notice that each property class can be reported only once within a Levy Type. Remember: Numbering of data points in this part of the FIR is by Levy Code + SLC Number. Also notice that each RTC / RTQ and Tax Band combination is associated with a unique Line Number.

4. Supplementary Payments-In-Lieu (24D)

This section consists of a single line, line 9799, which allows municipalities to enter supplementary PIL amounts for Lower-tier (or Single-tier), Upper-tier, and Education purposes.

Line 9799 Total of All Supplementary PILS

This line is meant to capture all additional PIL amounts raised as a result of rebilling, subsequent to the Final tax bills being issued on properties.

This line should not be used to report any adjustments to PILS levied. All adjustments to PIL amounts should be reported in Section 3 of Schedule 26.

This line should NOT include cancellation, reduction, refund, or rebate adjustments of taxation levied in the year. These 'negative' adjustments should be reported on Schedule 72, Continuity of Taxes Receivable. The overall impact of these 'negative' adjustments will be carried forward to Schedule 10, Statement of Operations: Revenues.

Items that should be included in this line are amounts in respect of the Assessment Act, and Municipal Act:

Assessment Act

Section 33 (OMIT): Assessment Omitted from collector’s roll for the current year, or for any part or all of either or both of the next two preceding years.

Section 34 (SUPP): After notices of assessment have been given, and before the last day of the taxation year, further assessment necessary to reflect a change to a property.

Municipal Act

Section 359: Upon application made by the treasurer of the local municipality, a local municipality may increase the taxes levied on land in the year in which the application is made to the extent of any undercharge caused by a gross or manifest error that is a clerical or factual error, including the transposition of figures, a typographical error or similar error, but not an error in judgement in assessing the land.

5. Payments-In-Lieu Levied by Tax Rate (24D)

This subtotal equals the Total amount of PILS levied by the application of a tax rate to an assessment value.

Line 9910 Amount Levied by Tax Rate

This line automatically calculates the sum of the General Purpose PIL total, all Special Area PIL totals and Supplementary PILS reported in the previous sections of this schedule. In other words, this line equals the sum of the totals of Sections 1 to 4.

The following table outlines the calculation of the amount in this line:

PILS Levied by Tax Rate	=	Total General Purpose PILS
	+	Total LT/ST Special Area PILS
	+	Total UT Special Area PILS
	+	Total Supplementary PILS

6. Amounts Added to Payments-In-Lieu (24D)

This section contains all amounts added to tax bills which are NOT levied by applying a tax rate to an assessment value.

Examples of amounts charged by means other than applying a tax rate to an assessment are Rates per Acre, Rates per Amount of Frontage, Flat rates, etc.

All amounts reported in this section must include any related supplementary PILS raised.

The following list of items should **not be included** in this section:

Do Not Include in this Section	Where to Report
Taxation amounts (and Adjustments to Taxation)	Schedules 22, 72
Tile drainage and shoreline assistance collections	SLC 12 1850 04
Direct water billings and sewer surcharges	SLC 12 0810 04 to SLC 12 0830 04
Charges for collection of Education taxes in Unorganized territories	SLC 12 0299 04
All other User Fees and Service Charges which are NOT levied on tax bills	SLC 12 xxxx 04
Utility rate arrears and Federation of Agriculture collection fees on tax bills	SLC 70 0699 01 as Taxes Receivable

The following lines are provided in this section for reporting typical additions to tax bills:

Line 8005 Local improvements

Include amounts for local improvements which appear on the tax bill as a separate charge and are not reported as operating revenue from user fees in Schedule 12, Current revenue for specific functions.

Line 8010 Sewer and water service charges

Include amounts for sewer or water services which appear on the tax bill as a separate charge and are not reported as operating revenue from user fees and service charges on Schedule 12.

Direct water billings and Sewer surcharges should not be reported on this line.

Line 8015 Sewer and water connection charges

Include amounts for sewer and water connection charges which appear on the tax bill as a separate charge and are not reported as operating revenue from user fees and service charges on Schedule 12.

Direct water billings and Sewer surcharges should not be reported on this line.

Include connections on public property up to the municipality's lot line.

Line 8020 Fire service charges

Include amounts for fire service charges which appear on the tax bill as a separate charge and are not reported as operating revenue from user fees and service charges on Schedule 12.

Line 8030 Municipal drainage charges

Include billings for municipal drainage charges which appear on the tax bill as a separate charge and are not reported as user fees and service charges on Schedule 12.

Line 8035 Waste management collection charges

Include all charges relating to the collection and disposal of garbage and recyclable materials which appear on the tax bill as a separate charge and are not reported as operating revenue from user fees and service charges on Schedule 12.

Line 8040 Business improvement area

Include all charges related to any Business Improvement Areas which appear on the tax bill as a separate charge. These amounts are typically charged by applying a rate to the Amount of Frontage of a property.

Line 8097 Other

In addition to the lines mentioned above, line 8097 has been provided to allow municipalities to specify other items that have been added as a separate charge to the tax bill. Municipalities can enter amounts which appear on the tax bill for purposes other than those mentioned above.

A short description of the charge should also be included on this line by typing in the space provided.

Amounts added as a separate charge that are in respect of portions of a property which are regarded as Exempt from Taxation should be reported in this section.

Examples of amounts that should be entered here are:

Charges on Exempt properties such as schools and churches for which no payment-in-lieu of taxes are received; (This amount should be included here even though it may be determined by applying a tax rate to an assessment).

Amounts generated when a local improvement is prepaid after a debenture is issued by a municipality. A portion of the prepayment is applied to the annual debt charges.

Line 9890 Subtotal - Amounts Added to PILS

This amount is equal to the sum of lines 8005 through 8040 and 8097.

7. Other Payment-In-Lieu Amounts (24D)

This section contains all other taxation amounts which are NOT levied by applying a tax rate to an assessment value. These amounts are not added to the tax bill as in section 6.

Examples of amounts charged by means other than applying a tax rate to an assessment are Rates per Acre, Rates per Amount of Frontage, Flat rates, Passenger Volume (Airport Authority), etc. All amounts reported in this section must include any related supplementary PILS raised.

The following list of items should **not be included** in this section:

Do Not Include in this Section	Where to Report
Taxation amounts (and Adjustments to Taxation)	Schedules 22, 72
Tile drainage and shoreline assistance collections	SLC 12 1850 04
Direct water billings and sewer surcharges	SLC 12 0810 04 to SLC 12 0830 04
Charges for collection of Education taxes in Unorganized territories	SLC 12 0299 04
All other User Fees and Service Charges which are NOT levied on tax bills	SLC 12 xxxx 04
Utility rate arrears and Federation of Agriculture collection fees on tax bills	SLC 70 0699 01 as Taxes Receivable

The following lines are provided in this section for reporting typical additions to tax bills:

Line 8045 Railway Rights-of-way (RTC = W) - from Ontario Enterprises

Include amounts related to PIL properties within the Railway Right-of-Way property class (RTC = W). These amounts are derived from applying a rate to the Acreage of such properties.

Note: Amounts in respect of portions of the property which are regarded as Taxable should be reported on Schedule 22, Municipal and School Board Taxation, line 8045. Also, compensation amounts received from the province in respect of phasing-in Railway Rights-of-way rates should be reported in Schedule 24, line 8046.

Please refer to the details at the beginning of the Instructions for this Schedule.

Line 8046 Railway Rights-of-way (RTC = W) - from Province

Rates for Railway Rights-of-way properties are being phased-in across the province. Municipalities receive an amount from the province as compensation for the loss of revenues resulting from the phase-in.

The compensation amounts received from the province in respect of phasing-in Railway Rights-of-way rates should be reported on this line.

Note: Amounts related to Taxable properties within the Railway Right-of-Way property class (RTC = W) which are charged by applying a rate to the Acreage of such properties should be reported on Schedule 22, line 8045. Amounts related to PIL properties within the Railway Right-of-Way property class (RTC = W) which are charged by applying a rate to the Acreage of such properties should be reported on Schedule 24, line 8045.

Please refer to the details at the beginning of the Instructions for this Schedule.

Line 8050 Utility transmission and utility corridors (RTC = U) - from Ontario Enterprises

Include amounts related to PIL or Exempt properties within the Utility Transmission and Distribution Corridor property class (RTC = U). These amounts are charged by applying a rate to the Acreage of such properties.

Note: Amounts in respect of portions of the property which are regarded as Taxable should be reported on Schedule 22, line 8050. Also, compensation amounts received from the Province in respect of phasing-in Utility Corridor rates should be reported in Schedule 24, line 8051.

Please refer to the details at the beginning of the Instructions for this Schedule.

Line 8051 Utility transmission and utility corridors (RTC = U) - from Province

Rates for Utility Corridor properties are being phased-in across the province. Municipalities receive an amount from the province as compensation for the loss of revenues resulting from the phase-in.

The compensation amounts received from the province in respect of phasing-in Utility Corridor rates should be reported on this line.

Note: Amounts related to Taxable properties within the Utility Corridor property class (RTC = U) which are charged by applying a rate to the Acreage of such properties should be reported on Schedule 22, line 8050. Amounts related to PIL properties within the Utility Corridor property class (RTC = U) which are charged by applying a rate to the Acreage of such properties should be reported on Schedule 24, line 8050.

Please refer to the details at the beginning of the Instructions for this Schedule.

Line 8055 Institutional Payments - Heads and Beds

Amounts in respect of Section 323 and 324 (Formerly 157 and 158) of the Municipal Act should be reported on this line. These amounts are often referred to as the “Heads and Beds” amount.

Municipal Act:

Section 323: Annual levy amounts in respect of Post-Secondary Institutions (Universities and Colleges), Correctional Institutions, Public Hospitals, Facilities, for the Developmentally Disabled, Provincial Education Institutions, etc.

Section 324: Annual levy amounts in respect of a non-profit hospital service corporation.

Line 8060 Hydro-electric Power Dams - from Province

Power Dams are now exempt from Taxation. Municipalities no longer receive amounts from these properties based on a Tax Rate multiplied by Assessment.

To compensate for the loss of this revenue, the province is making payments to municipalities based on the municipal taxes these properties generated in 2000.

The compensation amounts received from the province in respect of Power Dam exemptions should be reported on this line.

Please refer to the details at the beginning of the Instructions for this Schedule.

Line 8098 Other

In addition to the lines mentioned above, line 8098 has been provided to allow municipalities to specify other PIL amounts which have not been shown above.

Municipalities can enter other PIL amounts which have not been added to the tax bill.

An example of “Other PIL amounts” that should be included on this line, are amounts received from Airport Authority’s based on passenger volume (per passenger).

A short description of the amount should also be included on this line by typing in the space provided.

Line 9892 Subtotal - Other Taxation Amounts

This amount is equal to the sum of lines 8045 through 8060 and 8098.

8. Total Payments-In-Lieu Levied (24D)

This section is simply a total of all PIL amounts levied in the Municipality. Remember, this may not be the total amount of PILS actually received and retained by the Municipality.

Line 9990 Total PILS Levied

This amount is equal to the sum of the totals in section 5, PILS Levied by Tax Rate, section 6, Amounts Added to PILS, and section 7 Other PIL Amounts.

Total PILS Levied	=	PILS Levied by Tax Rate	Line 9910
	+	Amounts Added to PILS	Line 9890
	+	Other PIL Amounts	Line 9892