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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-NINTH LEGISLATURE

Bill 4

**An Act to allow municipalities to grant a  
tax credit to certain owners of  
residential immovables affected by a  
significantly higher than average  
increase in value**

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**Introduction**

**Introduced by  
Mr. Laurent Lessard  
Minister of Municipal Affairs, Regions and  
Land Occupancy**

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## **EXPLANATORY NOTES**

*This bill amends the Act respecting municipal taxation in order to allow local municipalities to grant property tax credits to certain owners of residential immovables to partially offset the taxes payable as a result of an increase in the value of their property that significantly exceeds the average increase in the value of certain residential immovables in the territory of the municipality.*

## **LEGISLATION AMENDED BY THIS BILL:**

- Act respecting municipal taxation (R.S.Q., chapter F-2.1).

## Bill 4

### AN ACT TO ALLOW MUNICIPALITIES TO GRANT A TAX CREDIT TO CERTAIN OWNERS OF RESIDENTIAL IMMOVABLES AFFECTED BY A SIGNIFICANTLY HIGHER THAN AVERAGE INCREASE IN VALUE

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** The Act respecting municipal taxation (R.S.Q., chapter F-2.1) is amended by inserting the following after section 253.62:

#### “DIVISION IV.6

#### “PROPERTY TAX CREDIT PROGRAM IN CASES OF AN INCREASE IN THE TAXABLE VALUE OF CERTAIN RESIDENTIAL UNITS OF ASSESSMENT

“§1. — *Establishment of the program*

“**253.63.** A local municipality may, in accordance with this division, establish a program to grant a tax credit to partially offset certain taxes payable in respect of a residential unit of assessment registered in the name of an eligible person if an increase in the value of the unit, as a result of the coming into force of a property assessment roll, exceeds the average increase in the value of certain similar units of the municipality.

The resolution by which the council decides to grant a tax credit under the first paragraph must be adopted after the deposit of the roll and before the adoption of the budget for the first fiscal year for which the credit will be applicable.

After the budget is adopted, the resolution may not be repealed and the program remains in force unless expressly repealed, in respect of a subsequent roll, by a resolution passed before the adoption of the budget for the first fiscal year for which such a roll applies.

“§2. — *Units of assessment covered by the program*

“**253.64.** The program applies in respect of entirely residential units of assessment consisting of only one dwelling and whose increase in value on the coming into force of a roll is indicated by a coefficient, determined in accordance with section 253.65, that is greater than the increased coefficient indicating the

average increase in value of certain units entered on the roll, determined in accordance with section 253.66.

**“253.65.** The coefficient indicating the increase in the value of a unit of assessment is determined by dividing its value entered on the roll, on the day of its deposit, by its value entered on the preceding roll, as that roll stands on the day before that deposit.

**“253.66.** The increased coefficient referred to in section 253.64 is determined by performing the following operations in order:

(1) divide the total of the amounts entered on lines 501, 502 and 514 of the section entitled “VALEURS DES LOGEMENTS” of the form prescribed by the regulation made under paragraph 1 of section 263 pertaining to the summary of the roll reflecting the state of that roll on the day of its deposit by the total dwellings entered on those lines;

(2) perform the operation set out in paragraph 1 using the data reflecting the state of the preceding roll the day before the deposit;

(3) divide the quotient obtained under paragraph 1 by the quotient obtained under paragraph 2; and

(4) multiply the quotient obtained under paragraph 3 by 1.075.

**“253.67.** If an operation described in section 253.65 or 253.66 gives a result with more than four decimals, it is rounded off to the fourth decimal place, and the fourth decimal digit is increased by 1 if the fifth is greater than 4.

*“§3.—Amount of the credit*

**“253.68.** The amount of the credit is calculated in respect of a unit of assessment by performing the following operations:

(1) subtract the increased coefficient determined under section 253.66 from the coefficient determined under section 253.65;

(2) multiply the difference obtained under subparagraph 1 by the value entered on the roll on the day of its deposit;

(3) add the general property tax rate and the rate of every other property tax imposed, based on the taxable value, in the territory of the municipality and applicable to the entirely residential units of assessment consisting of only one dwelling for the first fiscal year to which the program applies; and

(4) multiply the product obtained under subparagraph 2 by the sum obtained under subparagraph 3.

For the purposes of subparagraph 3 of the first paragraph, if the municipality results from an amalgamation and if, under its constituting Act or Order in Council, it sets different rates for the general property tax according to the territories of the municipalities that ceased to exist on amalgamation, the general property tax rate that must be used is the theoretical rate that it would set for its whole territory were it not imposing the different rates for the general property tax.

If the calculation described in the first paragraph results in a decimal number, the decimal is dropped and, if the first decimal digit was greater than 4, the integer is increased by 1.

**“253.69.** If the municipality applies the measure for averaging the variation in taxable values, provided for in Division IV.3 of Chapter XVIII, in respect of the roll, and a credit is granted for the first or second fiscal year for which the roll applies, the amount applicable in such a case corresponds, respectively, to one third or two thirds of the amount calculated under section 253.68. If the averaging measure applies for only two fiscal years and a credit is granted for the first of those years, only the amount applicable for that fiscal year is adjusted and it corresponds to half of the amount calculated under that section.

**“253.70.** If, after applying section 253.64 to determine if the program applies in respect of a unit of assessment, an alteration is made that affects the taxable value of the unit on the date of coming into force of the roll or on the day before that date, section 253.65 and, as applicable, section 253.68 is re-applied to take account of the alteration.

**“253.71.** If an alteration is made that reduces the taxable value of the unit of assessment on a date subsequent to the date of coming into force of the roll, the amount of the credit calculated under section 253.68 must, from the fiscal year in which the alteration is made, be reduced in proportion to the reduction in value applicable to the unit.

If the reduction in value applies in respect of only part of a fiscal year, the reduction in the credit for that fiscal year must be established in proportion to the remaining part of the fiscal year at the time the alteration takes effect.

No adjustment is made to the amount of the credit in the case of an increase in value that takes effect on a date subsequent to the date of coming into force of the roll.

**“253.72.** No credit is granted for a given fiscal year if the amount determined under this subdivision is less than \$50.

**“253.73.** Any granting or withdrawal of a tax credit or change in the amount of a credit already granted pursuant to sections 253.70 and 253.71 is taken into consideration, as applicable, in calculating the amount of additional

tax to be paid or the amount of tax to be refunded as a result of an alteration referred to in one of those sections.

“§4. — *Eligibility*

“**253.74.** For every fiscal year of the first roll during which the program becomes applicable, a person is eligible for the credit if, on the first day of the fiscal year,

(1) an amount was determined in respect of the person or the person’s spouse, for the first month of the fiscal year, as a solidarity tax credit under section 1029.8.116.25 of the Taxation Act (chapter I-3);

(2) a unit of assessment in respect of which the program applies has been registered in the person’s name for at least 15 years; and

(3) the person is domiciled in the immovable included in the unit.

If the unit of assessment is registered in the name of more than one person, the person referred to in the first paragraph meets the requirement set out in subparagraph 1 of that paragraph if each of those persons meets the requirement.

For the purposes of subparagraph 2 of the first paragraph, if the person in whose name the unit is registered holds a right of ownership in the immovable included in that unit as a result of a transfer between spouses, the period of time, prior to the transfer, during which the unit was registered in the name of the person’s spouse is also taken into account.

For the purposes of this section, “spouse” has the meaning assigned to it by the second paragraph of section 20 of the Act respecting duties on transfers of immovables (chapter D-15.1). However, when the term is used in subparagraph 1 of the first paragraph, its definition is to be read with the necessary modifications in order for it to apply on the first day of the fiscal year concerned rather than on the date of the transfer.

“**253.75.** For every fiscal year after the last fiscal year to which the first paragraph of section 253.74 applies, any person who meets the requirements set out in that section is eligible for the credit to which the person was entitled for the preceding fiscal year.

The municipality may provide that the first paragraph continues to apply despite the repeal of the program in accordance with the third paragraph of section 253.63.

Any person who is no longer entitled to a credit because the program has been repealed or the municipality has decided that no person is any longer eligible under the second paragraph remains eligible, on the same terms and for the first and second fiscal years after the fiscal year during which the person

was entitled to the credit, to a credit in an amount corresponding, respectively, to two thirds and one third of the original credit.

**“253.76.** To be entitled to the credit attributable to a unit of assessment for a given fiscal year, an eligible person must apply for it no later than the latest date provided for in the second paragraph of section 252 for a single payment or first instalment of municipal property taxes payable for that fiscal year.

The application must attest that the eligibility requirements set out in section 253.74 are met and must be accompanied by any document prescribed by the municipality for the purpose of verifying that eligibility. The municipality may also require that the application be made under oath.

If two or more persons apply for a credit in respect of the same unit of assessment, the credit may be granted to only one of those persons in the name of all of them.”

**2.** This Act comes into force on (*insert the date of assent to this Act*).

