

Property assessment and property tax: How they work together

Your property tax bill is based on two things: your property's assessed value and your municipality's tax rate. While they're connected, they are determined by different organizations.

MPAC determines your property's classification and assessed value. Your municipality decides how much revenue it needs to fund local services – from roads and transit to parks, libraries, and emergency services – and sets tax rates. Education tax rates are set by the Province of Ontario. Together, your assessed value and tax rate are used to calculate your property tax bill.

Two ways your assessment can change

During a province-wide Assessment Update	Outside a province-wide Assessment Update (Ontario's current environment)
MPAC reassesses every property in Ontario against a new valuation date, as mandated by the Ontario Government.	Ontario is currently between Assessment Updates. Assessed values are based on a January 1, 2016 valuation date.
An Assessment Update does not generate extra revenue for your municipality. Tax rates are adjusted so the municipality collects the same total revenue it needs.	An individual assessment can still change if your property changes, such as through new construction, an addition, or a renovation.
What changes is each property's share of municipal taxes. If your assessed value rises more than comparable properties, your share of taxes may increase. If it rises less, your share may decrease.	Because this kind of change applies to your property alone, changes to your assessed value can result in changes to your property tax bill, depending on the applicable tax rates.

The bottom line

- MPAC determines your property's assessed value. Your municipality determines the revenue needed and the tax rate.
- A province-wide Assessment Update can change your property's share of municipal taxes, but it does not automatically increase everyone's property taxes.
- Outside an Assessment Update, changes such as new construction, additions, or major renovations may affect your property's assessed value and property taxes.

Want to learn how your property was assessed?

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property owner.

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