



**Ministry of Finance**

Advisory, Objections, Appeals and  
Services Branch

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**Ministère des Finances**

Direction des conseils, des oppositions,  
des appels et des services

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Oshawa ON L1H 8H5  
Tél : 905-435-2040  
Télé : 905-436-4471

April 20, 2017

██████████  
Law Society of Upper Canada

██████████  
Dear ██████████

Re: Non-Resident Speculation Tax  
Effective April 21, 2017

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I am writing to request your assistance in distributing the following information to your members, as the matter pertains to an immediate change announced by the Ontario Government.

On April 20, 2017, the Province announced a new 15% Non-Resident Speculation Tax (NRST) on the purchase or acquisition of an interest in residential property located in the Greater Golden Horseshoe by individuals who are not citizens or permanent residents of Canada or by foreign corporations ("foreign entities") and taxable trustees. The implementation of the NRST is subject to the approval of the Legislature.

Upon the enactment of legislation, the NRST will be effective as of April 21, 2017.

The government recognizes that some purchasers may already have signed agreements of purchase and sale that do not close for a few months or longer. Therefore, binding agreements of purchase and sale signed by all parties on or before April 20, 2017, will not be subject to the NRST.

For information about the NRST, including exemptions and rebates, please see the Ministry of Finance's (MoFs) [NRST webpage](#).

This announcement will impact the usual practice followed in respect of the registration and payment of Land Transfer Tax (LTT) when NRST is also payable.

Effective April 21, 2017, all registered transfers must contain a statement expressly acknowledging that consideration has been given to the application of the NRST. Registrants

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are required to provide one of the following two statements:

The Non-Resident Speculation Tax does not apply to this transfer

The Non-Resident Speculation Tax applies to this transfer and has been paid to the Ministry of Finance, as confirmed by Receipt # \*\*\*\*\*

For registrations processed through Teraview, the applicable statement is to be inserted in Land Transfer Tax statement 9151 (Other remarks and explanations), which is found under the Explanations Tab.

For paper registrations, the applicable statement is to be inserted in paragraph 5 of the Land Transfer Tax Affidavit.

Taxpayers reporting unregistered dispositions of land to the MoF must expressly acknowledge in a covering letter that consideration has been given to the application of the NRST and whether or not it is payable on the reported transaction.

### **Electronic registrations**

For an interim period, Teraview will not be able to collect the NRST. During this interim period, to ensure compliance with the legislation, affected purchasers/transferees should pre-pay both the LTT and the NRST directly to the MoF's office in Oshawa. Once the MoF accepts the pre-payment of the taxes, the transfer may be registered electronically without further payment of LTT or NRST.

The MoF will provide a letter confirming receipt of NRST with a receipt number.

### **Registrations made at Land Registry Offices**

NRST payable on registrations that must be made at a Land Registry Office must be pre-paid directly to the MoF. If the transfer is subject to NRST, both the LTT and NRST should be pre-paid directly to the MoF.

The transfer will be stamped with a direction to the Land Registrar that no further LTT is payable at registration and the MoF will also provide a letter confirming receipt of NRST.

**Dispositions / Unregistered transfers**

If a transfer will not be registered on title, a Return on the Acquisition of a Beneficial Interest in Land form, along with the payment of the LTT and the NRST must be submitted to the MoF within 30 days of the transfer of land. For more information, see Land Transfer Tax and the Treatment of Unregistered Dispositions of a Beneficial Interest in Land

**How to pre-pay the LTT and the NRST to the MoF**

The following documentation must be submitted to the MoF at the address below:

For transfers to be registered and unregistered transfers / dispositions:

1. Cheque for the LTT and the NRST (certified, if not drawn on the solicitor's trust account), made payable to the "Minister of Finance"
2. Copy of the Agreement of Purchase and Sale, with all schedules attached
3. Copy of the draft Statement of Adjustments (if applicable)
4. If the value of the consideration is based on the fair market value of the land, any appraisals or documentation that is evidence of the fair market value of the land
5. Any additional documents as may be required to determine the value of the consideration

In addition, for transfers to be registered:

6. Authorizing or Cancelling a Representative form(s), completed by each transferee
7. Copy of the Document "in preparation" if registering electronically, or three copies of the Transfer/Deed if registration is done on paper
8. If registration is done on paper, two completed Land Transfer Tax Affidavits.

Please submit the required documentation to the following address, either by mail, courier or in person:

Ministry of Finance  
Compliance Branch  
33 King Street West, 3<sup>rd</sup> Floor  
Oshawa ON L1H 8H9

Please note that if a transaction is not subject to NRST, registration and payment of the LTT are to continue following the normal practice and may be completed using the Teraview system. Once the Teraview system is updated and able to accept payment of the NRST, payment of both these taxes may be made at the time of registration on the Teraview system.

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**Calculation of Tax:**

The NRST may be calculated as follows:

$$\text{Value of the Consideration} \times 0.15 = \text{NRST.}$$

The LTT may be calculated as follows:

Value of the Consideration (VOC)	Land Transfer Tax calculation
Up to and including \$55,000	LTT = VOC x 0.005
Exceeding \$55,000 and up to \$250,000	LTT = (VOC x 0.01) - \$275
Exceeding \$250,000 and up to \$400,000	LTT = (VOC x 0.015) - \$1,525
Exceeding \$400,000 and up to \$2,000,000	LTT = (VOC x 0.02) - \$3,525
Exceeding \$2,000,000, where the land contains at least one and not more than two single family residences	LTT = (VOC x 0.025) - \$13,525

If you have any technical or administrative questions about the NRST, to whom it applies, or how to pay it, you may contact:

Manager, Land Taxes  
33 King St. West, PO Box 625  
Oshawa ON L1H 8H9

Phone: 1-866-668-8297  
Fax: 905-433-5770  
Teletype (TTY): 1-800-263-7776

Yours truly,

*original signed by*

Victoria Chiodi  
Director,  
Advisory Objections and Appeals and Services Branch