

Tax Blending: Vacancy Allowance Fact Sheet

What is the vacancy allowance?

Under the old tax structure the City could not collect Business Occupancy Tax if there was no business occupying space in a commercial property.

The new tax structure is designed to work similarly, so if a property owner has a property that is vacant, and the owner is actively marketing the space, they can claim a vacancy allowance until it is occupied.

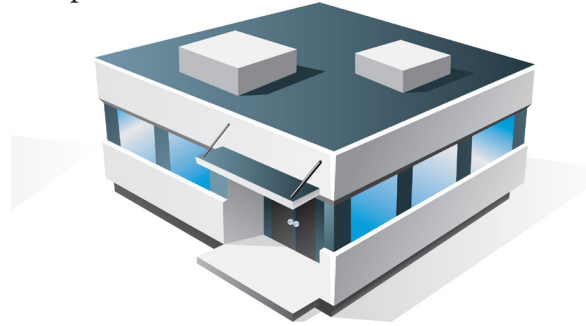
Commercial property owners will also be able to claim a vacancy allowance for situations where the City could not collect Business Occupancy Tax previously. These properties include:

- Actual Vacancies
- Delinquent Accounts
- Rent Free Periods
- Exemptions as determined by the City

More information is available in the St. John's Commercial Property Tax Bylaw and the St. John's Real Property Tax Exemption Bylaw, which can both be found online at www.stjohns.ca under City Hall - About City Hall.

How is the vacancy allowance calculated?

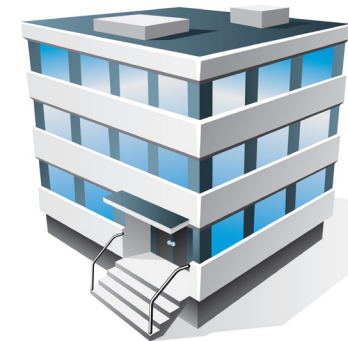
Vacancy allowances are based on the leasable area of your property. For example, if an entire property is vacant and being actively marketed you could claim a vacancy allowance for 50 per cent of the total Business Realty Tax for the period vacant. If you own a multi-unit property you would make a claim for the portion of the property which is vacant. Please see the calculations below for examples:



Single Unit Vacant Commercial Building

- Unit has been vacant for the quarter.
- Vacancy allowance claimed for entire leasable area.

Quarterly Tax Bill: \$1,000
Vacancy Allowance: \$500
(VA = \$1000 x .50 = \$500)
Total Final Payment: \$500



3rd Floor - Rented
2nd Floor - Rented
In a rent free period.
1st Floor - Rented

Multi-Unit Commercial Building

- Second floor is subject to a rent free period for the quarter.
- Vacancy allowance claimed for second floor.

Quarterly Tax Bill: \$3,000
Vacancy Allowance: \$500
(2nd floor = 1/3 building (\$1000) x .50 = \$500)
Total Final Payment: \$2,500

How do I claim the vacancy allowance?

The vacancy allowance will be claimed through an online application or dynamic form, both of which will be available at the City's website, www.stjohns.ca. Once the application is available the City will schedule information sessions where you can learn more about how to use the application.

For Further Information on Tax Blending:

Please Visit
www.stjohns.ca

Please Call
Access St. John's
311 or (709) 754-CITY (2489)

E-mail
taxblending@stjohns.ca